



# ***Daily Report***

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## **China**

FBIS-CHI-96-120  
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20 June 1996

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# Daily Report

## China

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**General**

**PRC: Further on Spokesman on IPR, Kinkel's  
Forthcoming Visit**

*OW1906135296 Beijing China Radio International  
in English  
to Western North America 0400 GMT 19 Jun 96*

[From the "Current Affairs" program]

[FBIS Transcribed Excerpt] The Sino-U.S. agreement on IPR [intellectual property rights] protection has not only avoided a possible trade war, but also helped improve bilateral relations.

Foreign Ministry spokesman Shen Guofang confirmed this at Tuesday's [18 June] press conference in Beijing. He also said that Japanese Diet's resolution regarding China's nuclear testing is unacceptable to China. Li Yang has the details.

[Begin recording] [Li] Spokesman Shen Guofang described Sino-U.S. consultations on IPR protection as frank and constructive. He said that in reviewing the implementation of the IPR protection agreement, the two sides expressed their satisfaction. Shen Guofang said that the U.S. promised to remove China from its Special 301 priority list. Both sides will revoke the threatened trade sanctions against each other. Here is Shen Guofang through his interpreter:

[Interpreter] During the consultations, the U.S. side also undertaken [as heard] to earnestly discharge its obligations under the 1995 IPR protection agreement, and the Chinese side hoped that the U.S. side will earnestly honor its commitment of supporting China's entry into the World Trade Organization and provide assistance to China's intellectual property rights protection as undertaken in the said agreement.

[Li] Spokesman Shen Guofang said that IPR protection is China's basic state policy, a requirement of the country's continued reform. He reaffirmed that even if there were no bilateral agreement, the Chinese Government would still enforce the law and continue its crackdown on IPR violations. When asked about the impact of the trend of consultations on Sino-U.S. relations in general, Shen Guofang said they have been beneficial in improving bilateral relations. The spokesman believed if the two sides adhere [to] the principles of the three joint communiques, Sino-U.S. relations can develop further. He confirmed that is the common hope of both sides, and that China has been making efforts toward that end.

[Interpreter] It is our hope that the U.S. side will pick a chance and make concerted efforts with the Chinese side for the continued improvement and development of bilateral relations. [passage omitted covered by third referent item]

[Li] Also in the news conference, the spokesman again urged the German Government to take concrete measures to halt activities supporting Tibet independence from China. Nevertheless, he said, the Chinese Government is still preparing for German Foreign Minister Klaus Kinkel's visit to China next month. For China Radio International, I am Li Yang [end recording].

**PRC: Lu Ping's Asian Tour Termed 'Fruitful'**

*OW1906135896 Beijing XINHUA in English  
1326 GMT 19 Jun 96*

[FBIS Transcribed Text] Beijing, June 19 (XINHUA) — The recent official visit to Japan, Singapore, Malaysia and Thailand by Lu Ping, director of the Hong Kong and Macao Affairs Office of the State Council, has been described as fruitful.

During the visit, Lu exchanged views with major leaders of the four countries on the question of Hong Kong. It was his second visit abroad in a year.

Last year he headed a group of Hong Kong members of the Preliminary Working Committee of the Preparatory Committee of the Hong Kong Special Administrative Region to visit six cities in the United States, in the capacity of Vice-Chairman of the Preliminary working Committee. During the tour he explained the Chinese government's policies towards Hong Kong to U.S. People from all walks of life as well as to overseas Chinese.

During the recent Asian tour, Lu once again expounded Chinese government's principles and policies towards Hong Kong to the government leaders and various social sectors of the four countries.

Official sources described Lu Ping's four-nation tour short but successful, and it was well received by every country and yielded good results.

It is known to all that Japan, an important developed country in Asia, is a good neighbor of China separated only by a strip of water, while Singapore, Malaysia, Thailand and China are developing countries, enjoying good relationships.

The four countries all have close ties with Hong Kong as an international financial and trade center and they also have made much investment in the region.

China will resume its exercise of sovereignty over Hong Kong on July 1, 1997, which will be a major event in the history of China, Asia, even the world. Countries in the world, especially in Asia, are very much concerned about how Hong Kong will be after 1997, and what principles and policies will China adopt towards Hong Kong.

Lu explained the principles and policies while holding meetings and talks with leaders and foreign ministers of the four countries, such as "one country, two systems", "Hong Kong people governing Hong Kong" and a high degree of autonomy.

Lu reaffirmed that the special social system and policies in Hong Kong after 1997 are designed not only for guaranteeing Hong Kong's stability and prosperity, but also for the sake of China's long-term interests.

China needs a "bridge" to the western countries in its reform and opening up to the outside world and its socialist construction, Lu said, adding that the western countries need a "bridge" to enter China.

Hong Kong has been playing that part, and China needs it to maintain capitalism in order to continue those roles, Lu said.

He said that maintaining Hong Kong's position as an international financial and trade center needs support by investors from countries all over the world.

Japanese Prime Minister Ryutaro Hashimoto hoped that Hong Kong will play a role as China's window to the world after it resumes the exercise of sovereignty over Hong Kong.

Singapore Senior Minister Lee Kuan Yew said Hong Kong has its uniqueness, namely, its adaptability which will be kept in the future, adding that Hong Kong has enough talented people, so he believed that after 1997, it will be well administrated.

Thai Prime Minister Banharn Silpa-Archa said that the principle of "one country, two systems" to be implemented in Hong Kong is a very good one, which will enable people to live in good harmony in different social systems.

Meanwhile, Banharn said, it will provide a mode for the settlement of the Taiwan issue.

Singapore Foreign Minister S. Jayakumar said after his talks with Lu that it was "sincere" that China hoped that Hong Kong will continue to become a prosperous commercial and financial center.

The visit was also conducive to increasing foreign investors' confidence in Hong Kong's future.

#### **PRC: CPC Official Speaks on Development of Foreign Relations**

*OW1906150296 Beijing ZHONGGUO XINWEN SHE in English 1438 GMT 19 Jun 96*

[FBIS Transcribed Text] Beijing, June 19 (CNS) — The Communist Party of China (CPC) has made great progress in establishing relations with more than 300

various political parties in 120 countries and regions since the country adopted the policy of reform and opening to the outside world. Li Shuzheng, Director of the International Liaison Department of the CPC, announced the above information in her speech over Radio China International and Central People's Broadcasting Station today.

Miss Li's speech on the foreign relations of the CPC is to commemorate the 75th anniversary of the CPC, which is on the first of July. Her speech is divided into six parts:

— To actively develop foreign relations is an indispensable part of the work of the CPC.

— The CPC can play a unique diplomatic role.

— Relations with foreign political parties can promote the development of relations between China and other nations.

— The enhancement of economic and trade cooperation through exchanges among political parties.

— Some principles for exchanges between the CPC and foreign political parties.

— The development trend in foreign relations of the CPC.

Miss Li pointed out that before the end of 1970s, the CPC had only established relations with communist parties and labour parties which had similar ideologies. Therefore, the Party's diplomatic relations had been quite narrow. With changes taking place in the Mainland and in the world, the CPC had adjusted its aims, work, ideology and policies. Relations with foreign political parties are no longer evaluated with social system and ideology as prerequisites. Now the CPC seeks to cooperate with various political parties and organizations in countries around the world.

She said that under the leadership of Jiang Zemin, the CPC would insist on establishing friendly relations with foreign political parties as before. This will strengthen mutual understanding and cooperation, contribute to the socialist modernization process in China and the peace and prosperity of the world in this century and the next.

#### **PRC: Senior CPC Official Comments on Foreign Relations**

*OW2006091796 Beijing XINHUA in English 0757 GMT 20 Jun 96*

[FBIS Transcribed Text] Beijing, June 20 (XINHUA) — The Communist Party of China (CPC) has developed widespread exchanges with various political parties

abroad, a senior party official said in a broadcast speech Wednesday [19 June].

"To actively expand the Party's foreign exchanges is an indispensable part of the overall work of the Chinese Communist Party, and a significant component of the country's foreign relations as a whole," the official said.

Li Shuzheng, head of the International Liaison Department of the CPC Central Committee, made the remarks in a speech broadcast via China Radio International and the Central People's Broadcasting Station.

The CPC has established relations with more than 300 political parties in more than 120 countries and regions, Li said.

She stressed that all the achievements in China's revolutionary cause and peaceful construction were made through the self-reliance and hard work of the Chinese people under the leadership of the Communist Party.

"Meanwhile, the achievements are inseparable from the sympathy and support from peoples in other countries of the world and progressive international forces," she said.

"This kind of support is mutual, and we have also tried our best to back up the just causes of peoples in other countries," Li added.

She said that following the end of the Cold War, the old world pattern was broken and the international situation was, and is, undergoing profound changes. Due to this, she said, the role of political parties becomes more prominent.

The Chinese Communist Party has seized the opportunity to enhance contacts with foreign parties in order to promote mutual understanding and help maintain the stable development of international relations, she said.

The exchanges of different political parties have also aided economic and trade cooperations between economic departments and regions in China and their foreign counterparts, she said.

The China Economic Liaison Center, under her liaison department, has developed business contacts with 68 political parties and more than 140 companies and enterprises in 81 countries and regions.

She pointed out that the principles of independence, total equality, mutual respect and no interference in each other's internal affairs have been the guidelines of the Chinese Communist Party in handling relations with its foreign counterparts.

#### **PRC: Newspaper Rejects Idea Development Threatens 'World Peace'**

OW2006083896 Beijing XINHUA in English  
0758 GMT 20 Jun 96

[FBIS Transcribed Text] Beijing, June 20 (XINHUA)—Facts have demonstrated that China's economic development constitutes an important contribution to world peace. It is by no means a "threat," as reported recently by the Western media.

The "LIBERATION ARMY'S DAILY" [JIEFANGJUN BAO] today carried a lengthy article explaining why China's economic growth will greatly contribute to world peace, and will threaten no one.

"In order to preach the idea of 'China Threat', some Western media have put forward a bizarre theory recently about China's economic development — when it becomes 'too huge and powerful' it will 'constitute threats' to the world and regional peace," said the article, written by Liu Xinru.

The three-part article first theorized that China's development should be put in the proper context.

According to the article, China's GNP has developed with an average growth of 9.9 percent annually from 1979 to 1995. However, due to its large population and weak bases, China still is a developing country, just climbing over the poverty line and still with relatively low economic growth.

Judged by the per-capita income, which best reflects the overall development of a country, China still has a long way to go, not only when compared to the developed countries but also in comparison with some that are still developing.

"Then why do some Western media deliberately exaggerate China's economic strength, so much so that they even put China in the rank of developed countries?" the article queried.

The article provided two explanations: to put the "hat of a developed country" on China is to make barriers for its entry into the World Trade Organization, and it creates a distance between China and other countries, especially its bordering countries.

The article said that peace and development have been major international goals. It voices its wholehearted agreement with China's now-historic trend of rapid economic growth.

The social system and the national development strategy have proved that China will never seek hegemony and expansion, according to the article.

"Not to mention there is still a long way to go for China to be developed, even though it really will happen someday in the future, China's independent foreign policy of peace will never change," the article promised.

The article also explained that China's development does not require isolation: China needs the world and the world needs China. The country's economy has become an important part of the world economy, and the stable development of China's economy has advanced the world and regional economies to higher levels.

"We must also point out that development and stability always go hand in hand, poverty and chaos are twins. As a populous country, China's development has great significance to the world peace and stability," the article said.

"People can imagine the consequences of possible chaos, wars and refugees if China makes no development and its 1.2 billion people always remain in a poor and backward condition," the article warned.

The real reason for the fact that some Westerners have characterized China's recent relatively speedy growth as the "China threat" is nothing more than an attempt to curb the country's further development.

In the eyes of some anti-China forces in the West, the article said, development and the power of socialist China pose a serious threat to them; they are afraid of the successes of socialist China, which might threaten their dominant position in the new world order.

"They are not clear that in today's world, it is impossible for them to curb China's development. Some of the sensible people have pointed out that curbing China will only produce disastrous consequences," the article said.

The article also said that such a policy of "curbing" is not new to the Chinese people. When New China was founded in the late 40's, some countries had already enforced the so-called curbing and "blockading" policies, but to no avail.

The article reassured readers that no force whatsoever in the world can impede the progress of 1.2 billion Chinese people.

## United States & Canada

### PRC: Beijing Radio Gives Analysis of Sino-U.S. Trade Accord

OW1906130296 Beijing China Radio International in Mandarin to Hong Kong, Macao, the Zhu Jiang Delta, and Southeast Asia 0900 GMT 18 Jun 96

[News analysis by (Luo Ce), writer for the "Current Events" program; from the "News and Report on Current Events" program]

[FBIS Translated Text] The big trade war [as heard] between China and the United States has died down before the final realization of the retaliatory measures that the United States has threatened to carry out. In the past month, this trade dispute between the world's biggest developed country and biggest developing country has put most people of the trade circles in China and the United States, including those in the industrial and commercial circles in Japan, Hong Kong, and the Asia-Pacific region, in a tight spot. People have been concerned with who will be the final winner in this trade war, toward which each side has adopted a tough attitude.

In fact, the objective of the Chinese and U.S. sides to eliminate [ping xi] this trade war is not to determine who will be the winner. What is more important is the approach taken by the Chinese and U.S. sides in resolving the differences between the two countries.

One month ago, when the United States announced its intention to take trade retaliatory measures against Chinese exports of textile products, garments, and electronic products worth a few billion U.S. dollars, China expressed its great indignation against the announcement. Later, it also declared that it would take counter-retaliatory trade measures against U.S. imports of agricultural and animal-husbandry products, vehicles and their parts, and telecommunications equipment worth two billion U.S. dollars. People cannot imagine that if the U.S. retaliatory trade measures against China are carried out, the darkest age of Sino-U.S. economic and trade prospects will emerge since the two countries established diplomatic relations. [ren men bu neng xiang xiang ru guo mei guo dui hua mao yi bao fu cuo shi yi dan shi shi 0086 0226 0008 5174 1927 6272 1172 2654 5019 0948 1417 5478 6319 2496 1032 1788 2238 2457 0001 2481 1395 2457] Such a move will have a serious unfavorable impact on the economies of the two countries. At the same time, it will adversely affect the development of the world's economy as a whole.

To solve this crisis, beginning 15 June, the Chinese delegation headed by Shi Guangsheng, China's vice minister of foreign trade and economic cooperation, and the

U.S. delegation headed by Charlene Barshefsky, acting U.S. trade representative, held an urgent consultation in Beijing. The bilateral talks [tan pan] continued day and night for three days, but each side held that the talks [hui tai] were frank [tan shuai di] and constructive [jian she xing di]. Before the talks [tan pan] ended, that is, in the last minute before the U.S. carried out its announced retaliatory trade measures against China, Barshefsky, U.S. talks representative, announced the United States will call off its intended trade retaliatory measures against China and promised to drop China from the list of major countries under the special Section 301 provision [of the U.S. Trade Act of 1974]. In response to the U.S. commitment, Shi Guangsheng, Chinese representative to the talks, announced that China will also call off counter-retaliations against the U.S. Thus, the big Sino-U.S. big trade war was finally averted. This greatly gladdened both sides and even the industrial and commercial circles in Asia and the Pacific region. The most fundamental reason for the result to be achieved is that dialogue is better than confrontation and that cooperation for mutual benefit is better than sanctions.

After the Sino-U.S. talks on intellectual property rights [IPR] ended, Chinese President Jiang Zemin met with U.S. talks representative Barshefsky. During the half-hour meeting, Jiang Zemin said that with regard to differences existing between the two countries, China has always stood for resolving them with a constructive attitude through consultations on an equal footing. The history of the development of Sino-U.S. relations has once again shown that so long as both China and the United States proceed from the overall interests of bilateral relations, respect each other, refrain from interfering in each other's internal affairs, and conduct consultations on an equal footing, it is possible to properly resolve the specific issues in bilateral relations.

The Chinese leader stressed that the Chinese Government attaches importance to Sino-U.S. relations and that it has always maintained that China and the United States should view [kan dai] and handle bilateral relations from the strategic perspective and with eye to the 21st century. The development of normal and stable economic and trade relations between the two sides is not only in accord with the fundamental interests of the people of China and the United States, but is also conducive to the prosperity and development of the world's economy.

In response, Barshefsky said that President Clinton knows that U.S.-Sino relations are one of the most important bilateral relations in the world. Only by adhering to a strategic dialogue, adhering to cooperation for mutual benefit, and adopting a constructive method of resolving problems can the long-term, stable relations

between China and the United States be consolidated and strengthened. At a reception held at the U.S. Embassy in China, the U.S. talks representative said the United States has noticed that China has taken some serious, major [yan su er zhong da] steps in carrying out the obligations set by the 1995 U.S.-Sino IPR agreement. She expressed the hope that in the future China will continue to adopt effective measures to protect intellectual property rights.

In meeting with Barshefsky on Monday, Chinese Vice Premier Li Lanqing said that cracking down on piracy and copyright infringements is a long-term struggle. China will, as always, persist in continuing the struggle. This is not only a need for strengthening international economic and trade cooperation and scientific and technological exchanges but, what is more important, is also an indispensable, important measure for promoting the healthy development of science, technology, and culture in China.

Although the Sino-U.S. talks on IPR protection have produced a resolution, people have also noticed that economic and trade disputes between the two countries have occurred successively in recent years since China and the United States established diplomatic relations. In the process of developing bilateral economic and trade cooperation in the future, people will wait and see whether both sides will be able to solve problems between them through dialogue and cooperation so as to avoid the recurrence of another big trade war.

#### PRC: RENMIN RIBAO Commentary Lauds Dialog Over Confrontation

OW2006074596 Beijing XINHUA in English  
0704 GMT 20 Jun 96

[FBIS Transcribed Text] Beijing, June 20 (XINHUA) — Nation-to-nation trade disputes can only be resolved through consultations held on equal footing, and on the basis of respecting facts and seeking common ground while reserving differences.

In its commentary, "PEOPLE'S DAILY" [RENMIN RIBAO] today pointed out that the truth has once again proved by the latest negotiations between China and the United States over intellectual property rights.

The theme of the commentary echoed Chinese President Jiang Zemin's remark during his meeting with acting US trade representative Charlene Barshefsky, "Dialogs are better than confrontations, mutually-beneficial cooperation better than sanctions."

On the evening of June 17, trade delegations from China and the US reached an agreement on IPR [intellectual

property rights] protection, thus averting a trade war through last-ditch efforts.

The two sides held informal consultations from June 6 to 7 and, on June 10 and 11, the US delegation went to Guangdong Province to acquaint themselves with the tremendous efforts China has made concerning IPT [as received] protection.

Formal consultations, which began on June 13, entered the ministerial level on June 15. They were co-chaired by Shi Guangsheng, Chinese vice-minister of foreign trade and economic cooperations, and Acting US Trade Representative Charlene Barshefsky.

The two sides' main differences were focused on the closing of CD [compact disk] producers, the prolonging of the special law enforcement period, the strengthening of law enforcement at the customs, and the market access, the commentary noted.

Through five-day talks in a frank and constructive atmosphere, the two sides finally reached unanimity. The US side announced to cancel its planned trade sanctions against China and to drop China from its list under a special 301 screening. In return, the Chinese side declared the abrogation of its counter-retaliations against the US in response to the US commitment.

The article quoted Zhang Yuejiao, director-general of the Treaty and Law Department of the MOFTEC [Ministry of Foreign Trade and Economic Cooperation], who has participated in the IPR negotiations for 10 consecutive years, as saying that China's protection of the IPR is required by the demands of its own economic and technological development instead of taking orders from the United States.

"No matter whether or not there is an IPR protection agreement between China and the US, the Chinese Government will, as always, rigorously enforce the law and continue its crackdown on IPR violations," Zhang said.

As a matter of fact, the economies of China and the US are very complementary, and the two nations have great potential for trade and economic co-operation, the article noted.

Should it carry out trade sanctions against China, the world's leading developing country, the commentary said, the US would suffer greater losses itself.

The outcome of the negotiations has not only laid a foundation for the overall improvement of Sino-US trade and economic ties and benefit the business circles of both nations, but also made positive contributions to world peace and regional stability, the "PEOPLE'S DAILY" said.

## Central Eurasia

### PRC: State Councillor Holds Talks With Kazakhstani Official

OW1706153796 Beijing XINHUA in English  
1518 GMT 17 Jun 96

[FBIS Transcribed Text] Beijing, June 17 (XINHUA) — Ismail Amat, State Councillor and minister in charge of State Nationalities Affairs Commission, held talks in Beijing today with Kim Georgi, chairman of Kazakh State Commission of the National Policy.

During the talks, both Ismail and Georgi exchanged views on nationalities affairs cooperation and other issues of common interest.

Ismail said that China and Kazakhstan have enjoyed a smooth development in bilateral relations in recent years. He added that the senior leaders of the two countries have frequently visited each other over the past years.

China and Kazakhstan are countries with many nationalities, he continued, it is of significance to advance the exchanges and cooperation in nationalities affairs between the two countries.

Kazakh President Nursultan Nazarbayev paid a successful visit to Shanghai this April, where an agreement was signed by China, Kazakhstan, Russia and other two Central Asian Countries, Georgi noted. This has laid a cornerstone for the further development in Kazakh-Chinese relations, he added.

He also expressed the conviction that with joint efforts, the friendly relations of cooperation between the two countries would be further promoted.

Georgi arrived in China today at the invitation of State Nationalities Affairs Commission.

### PRC: Vice President Meets With Kazakhstani Official

OW1806080296 Beijing XINHUA in English  
0739 GMT 18 Jun 96

[FBIS Transcribed Text] Beijing, June 18 (XINHUA) — Chinese Vice-President Rong Yiren said here today that the Chinese government has always attached importance to the work done for the betterment of ethnic groups.

During a meeting with Kim Georgi, chairman of the State Commission of the National Policy of Kazakhstan, Rong said that China has formulated a series of laws and regulations to ensure equal rights among the people of different ethnic groups.

The ethnic groups of China are equal, united and living with each other in harmony, and this has contributed to China's stability, the vice-president said.

Both China and Kazakhstan are nations with many ethnic groups, Rong continued, therefore it is necessary for the departments in charge to ensure ethnic groups of both countries conduct friendly exchanges.

Rong added that the expanding trade ties between China and Kazakhstan, particularly concerning the border trade, have proved the great potential for cooperation between the two countries.

Georgi, who is here on his first trip to China, said Kazakhstan is willing to develop good-neighborly ties with China.

Kazakhstan adopts the same principles as China in dealing with various nationalities' affairs, he noted.

Georgi arrived in China on Monday [17 June] at the invitation of the Chinese State Nationalities Affairs Commission.

### West Europe

#### PRC: Finland-China Society Celebrates 45th Anniversary

OW2006034796 Beijing XINHUA in English  
0223 GMT 20 Jun 96

[FBIS Transcribed Text] Helsinki, June 19 (XINHUA) — China and Finland marked 45 years of friendship today as the Finland-China Society celebrated its founding in 1951.

The society was one of the first non-governmental organizations to set up friendly relations with China and now has 14 branches and more than 3,000 members.

At today's ceremony, attended by Chinese Ambassador to Finland Wang Lian and Finnish officials, Tauno-Olavi Huotari, president of the society, said that the organization will continue its efforts to promote Sino-Finnish friendship, especially in the cultural sphere.

A delegation sent by the Chinese People's Association for Friendship with Foreign Countries attended the ceremony and expressed the Chinese people's appreciation to the society.

Both sides said they look forward to a brighter future for Sino-Finnish friendship.

#### PRC: Spokesman on 'Political Significance' of Jiang's Spain Trip

BR1906124396 Madrid EFE in Spanish  
1026 GMT 19 Jun 96

[Unattributed report: "China and Spain Say Jiang Zemin's Visit Is of Great Political Significance"]

[FBIS Translated Excerpt] Beijing, 19 Jun (EFE) — Chinese President Jiang Zemin's visit to Spain, starting on 23 June, is of great political significance, official Chinese Spokesman Shen Guofang told EFE today.

In statements to EFE, Shen remarked that, within the EU, Spain had strengthened different kinds of relations with China.

Shen indicated that in 1995 trade between the two countries had totaled \$1.89 billion, i.e. 14.6 percent more than in 1994, and that cooperation could be strengthened much more in such areas as telecommunications and energy "where some Chinese power stations are already using Spanish equipment."

Shen, who accompanied Chinese Foreign Minister Qian Qichen during his visit to Spain and who will also be accompanying President Jiang Zemin, said that the trip made to China in 1990 by former Spanish Foreign Minister Francisco Fernandez Ordonez played a decisive role in reviving reciprocal relations.

Shen also came to Spain eight years ago, accompanying Communist Party General Secretary Zhao Ziyang, who was "purged" in 1989 because of his liberal tendencies.

The spokesman urged Spanish small- and medium-sized companies to increase their presence and investments in China, although he acknowledged that the information available to them on Chinese markets was insufficient and that some action from the Chinese Institute for the Promotion of Foreign Trade would be desirable in this respect.

State visits and high-level contacts have been continual over the past few years, Shen pointed out, and political contacts have never been interrupted, as apparent from the Asia-Europe Meeting (ASEM) in Bangkok three months ago.

There are differences and discrepancies between China and Spain, the spokesperson remarked, but such differences have always been solved through conversations and dialogue, and Fernandez Ordonez' visit "was very important to reestablish our relations with Europe since these had deteriorated following what we officially call here 'the Tiananmen incident.'"

Shen did not know whether any concrete economic or political agreements would emerge from Jiang's

visit, but he indicated that several high-ranking Chinese officials — particularly from the Planning Committee and the Foreign Trade and Economic Cooperation Ministry — would be traveling with the president, and that their talks with their Spanish counterparts might result in new agreements or a strengthening of the current ones.

It would also be desirable for large prestigious companies in both countries to increase direct relations and cease to depend so much on official support.

"I firmly believe," Shen told EFE in conclusion, "that President Jiang's visit will promote, on a large scale, our mutual political and economic relations, which are based on trust."

#### **PRC: Spanish Parliamentarians Welcome Jiang Zemin's Visit**

*OW2006020496 Beijing XINHUA in English  
0131 GMT 20 Jun 96*

[FBIS Transcribed Text] Madrid, June 19 (XINHUA) — Spain's parliamentary leaders have given a warm welcome to the forthcoming visit of Chinese President Jiang Zemin and hope it will lead to better ties with China.

"We admire China's policy of reform and opening to the outside world, and at the same time, we hope that we can provide help in the process of the reform and enhance inter-governmental economic and cultural exchanges," President of the Congress of Deputies Federico Trillo told Chinese reporters here recently.

Senate President Juan Barrero told Chinese journalists that President Jiang's visit, which embodies the hope of the two peoples for the continuation of contacts, is of great importance.

The two sides have made much progress in cooperation in various fields since diplomatic relations were established in March 1973, he noted.

Now the two countries enjoy good bilateral relations and are in a strong position to enhance them, the Senate leader said.

To develop economic and trade relations are of great significance to both countries as China will play a more important political and strategic role in the future world, Barrero said.

Jiang is scheduled to visit Spain June 23-27 at the invitation of King Juan Carlos and Queen Sofia.

#### **PRC: Third EU-China Automotive Industry Forum Opens in Beijing**

*OW1906125296 Beijing XINHUA in English  
1229 GMT 19 Jun 96*

[FBIS Transcribed Text] Beijing, June 19 (XINHUA) — The Third EU-China Automotive Industry Forum opened in Beijing today, attended by about 150 representatives of auto makers and researchers from the EU countries and China.

Endymion Wilkinson, head of the EU Commission Delegation to China, said at the opening ceremony that China's economic growth is making greater demands on its auto industry.

The European auto manufacturers are capable and ready to contribute to the quality and specialization of China's automotive component industry through providing advanced technologies, he noted.

Camille Blum, Secretary General of the European Automobile Manufacturers Association, told the representatives that European auto makers are very interested in China's auto market and its great potential, and they would take more concrete measures to press for EU-China cooperation in the automobile industry.

The three-day forum is focusing on studying the policies needed in cooperation between EU and China in the auto industry, and helping set up the business contacts between European auto makers, component providers and their Chinese counterparts.

### **East Europe**

#### **PRC: FYROM President Praises China's Foreign Policy**

*OW0806052096 Beijing XINHUA in English  
0244 GMT 8 Jun 96*

[FBIS Transcribed Text] Skopje, June 7 (XINHUA) — Macedonian [Former Yugoslav Republic of Macedonia — FYROM] President Kiro Gligorov today praised China for its foreign policy of peace and hoped to strengthen economic and cultural cooperation between the two countries.

During his meeting with first Chinese Ambassador Xu Yuehe, Gligorov spoke highly of China's foreign policy, especially its stand of treating all countries equally, big or small, and non-interference in other countries' internal affairs.

"China is a great country and a peace maker," the president said, adding that China's political stability has provided essential conditions for its economic development.

The Macedonian people will thank China for ever for its recognition of their country, the first of its kind among the five permanent members of the U.N. Security Council, Gligorov said.

Gligorov accepted the credentials of Xu, who arrived here last month.

Macedonia declared its independence from the former Yugoslavia in 1991 and established diplomatic ties with China in October 1993.

**PRC: PLA Delegation Leaves for Poland, Czech Republic**

OW1706162296 Beijing XINHUA in English  
1542 GMT 17 Jun 96

[FBIS Transcribed Text] Beijing, June 17 (XINHUA) — A delegation of the Chinese People's Liberation Army (PLA) headed by Political Commissar of the Jinan Military Area Command Du Tiehuan left here today for a visit to Poland and the Czech Republic at the invitation of the armed forces of the two countries.

Officials from Headquarters of the PLA's General Staff and military attaches of the two countries in Beijing went to see the delegation off at the airport.

**PRC: Romania's Iliescu on Hopes for Jiang Zemin's Visit**

OW1506141896 Beijing XINHUA in English  
1353 GMT 15 Jun 96

[FBIS Transcribed Text] Bucharest, June 14 (XINHUA) — Romanian President Ion Iliescu said today that Chinese President Jiang Zemin's upcoming visit holds out the prospect of better relations between the two countries.

Iliescu, in an exclusive interview with XINHUA, said he admires greatly the achievements China has made in its development over the last 10 years.

Commenting on Romanian-Chinese relations, Iliescu said the two nations enjoy good political relations and cooperate in international political institutions. In economic affairs, both sides share the same objectives.

Iliescu said the exchange of experiences, mutual understanding, and the development of economic and trade relations benefit both sides.

He said he's looking forward to talks with President Jiang Zemin in Bucharest. He said the further development of economic and trade relations will be the focus of their discussions.

On Romania's domestic, political and economic situation, Iliescu said 1996 is election year, with local elec-

tions just concluded and presidential and parliamentary elections due on November 3. Iliescu said he hopes stability will continue after the elections.

The Romanian president said 1996 is also an important year for the nation's economic reform. He said the state will strengthen macro control over the economy, while bringing into play various initiatives to quicken the process of modernization and boost economic and trade relations with other countries.

**Latin America & Caribbean**

**PRC: Wu Yi Leaves Chile After Talks on Improving Trade Ties**

OW2006035496 Beijing XINHUA in English  
0143 GMT 20 Jun 96

[FBIS Transcribed Text] Santiago, June 19 (XINHUA) — Wu Yi, Chinese minister of foreign trade and economic cooperation, left Chile today after two days of talks with Chilean leaders on strengthening trade and economic relations.

The two countries are particularly keen on improving ties in agriculture, forestry and mining.

Chile became China's most important Latin American trade partner in 1995 after Brazil and Argentina. Bilateral trade rose 30 percent in 1995 to more than 640 million U.S. dollars.

The Chinese minister met Chilean President Eduardo Frei, Foreign Minister Jose Miguel Insulza and Economy Minister Alvaro Garcia and had a working meeting with Deputy Foreign Minister Mariano Fernandez.

During her visit, she also met Chilean Agriculture Minister Emiliano Ortega and Mining Minister Benjamin Teplizky.

Wu Yi, who has already been to Cuba, Peru and Mexico, is now headed for the next leg of her South American tour in Argentina.

**PRC: Li Tieying Meets Mexican Cultural Delegation**

OW1906104896 Beijing XINHUA in English  
0928 GMT 19 Jun 96

[FBIS Transcribed Text] Beijing, June 19 (XINHUA) — State Councillor Li Tieying met here this afternoon with a Mexican Governmental Cultural Delegation headed by Subsecretario of Foreign Affairs Javier Trevino.

Following the meeting, a Chinese governmental cultural delegation headed by Li Yuanchao, vice minister of Culture, signed a draft plan for Sino-Mexican cultural and educational exchanges during the 1997-1999 period.

The Mexican delegation arrived in Beijing on June 16 for the 6th session of the mixed committee on Sino-Mexican cultural and education exchanges between China and Mexico.

The Ministry of Culture extended the invitation.

**PRC: Air Links To Begin With Latin America  
'Within the Year'**

*OW1706133396 Beijing XINHUA in English  
1313 GMT 17 Jun 96*

[FBIS Transcribed Text] Beijing, June 17 (XINHUA) — China and Latin America are expected to establish air links within the year, with the first route to be opened between China and Brazil.

The opening of this route will shorten air travel time between China and Latin America from the present 36 hours to less than 25 hours, an official with the Civil Aviation Administration of China (CAAC) said today.

Zhang Yafeng, director of CAAC's international affairs, said China has established air links with all the continents except Latin America.

To increase mutual co-operation in civil aviation between China and Latin American countries, CAAC director Chen Guangyi recently visited the four Latin American countries of Brazil, Chile, Argentina and Peru.

During the visit, Chen signed a civil aviation agreement with Chile, and a draft one with Peru, according to

Zhang, who was among Chen's entourage. China and Peru are to sign a formal agreement later this year

Zhang said China and Brazil signed a civil aviation agreement in 1994, which allows each country to have one airline operating on the Sino-Brasilian route, and each to have two cities as destinations on the route. The four cities are Sao Paulo, Rio de Janeiro, Beijing and Shanghai.

He noted that major carriers of the two countries have shown much interest in operating flights between China and Brazil due to good market prospects.

The official pointed out that routes between China and the other three Latin American countries are not likely to be opened in the near future, as there is not sufficient market demand.

"However, carriers may co-operate with each other in ways such as code-sharing flights to meet existing market demand," Zhang remarked.

He said travelers between China and Latin America mainly consist of business people, diplomats, and the large number of overseas Chinese in the region.

China has so far signed civil aviation agreements with 72 countries, and has air links with 43 throughout the world.

### Political & Social

#### PRC: Dissident Wang Xizhe Protests Against Arbitrary Arrest

OW2006095196 Hong Kong AFP in English  
0938 GMT 20 Jun 96

[FBIS Transcribed Text] Beijing, June 20 (AFP) — Veteran dissident Wang Xizhe has protested to the Chinese parliament about his "arbitrary" arrest and mistreatment early this month in Guangzhou, reports said Thursday [20 June].

In a letter delivered Wednesday to the justice commission of the National People's Congress, Wang accused the Supreme Court and the chief prosecutor's office as well as the ministries of public security and justice of having interpreted the penal code "as they pleased" in ordering his detention from May 31 to June 15.

Wang was detained for having left Guangzhou, his home town, without judicial authorization.

Wang, deprived of his political rights until 1999, also complained about prison conditions, where he was fed "rotten" food that caused stomach trouble, the Hong Kong-based Information Center for Human Rights and Democracy said.

Wang, 47, is a veteran of the Chinese dissident movement. He had been arrested in 1981 for his participation in the Democracy Wall movement in the late 1970s and sentenced to 14 years in prison. He was released on parole in February 1993.

He has since been interrogated several times for having protested against the restrictions on his freedom of movement.

#### PRC: Report States PRC Carries Out Highest Number of Executions

HK1906074996 Hong Kong EASTERN EXPRESS  
in English 19 Jun 96 p 12

[By Arthur Stone]

[PTS Transcribed Text for FBIS] China detains thousands of people for their opinions, tolerates the widespread use of torture, and carries out most of the world's executions, while faulting Taiwan for abuses against army conscripts and activists for minority rights, Amnesty International claimed in its annual report yesterday.

The report said that last year hundreds of people had been arbitrarily detained in China, many of whom were "prisoners of conscience" held for their non-violent beliefs. Several thousand others held at the beginning of the year remained in detention.

Amnesty said those held included pro-democracy activists, members of banned religious organisations, and ethnic minorities agitating for greater autonomy.

Many were sentenced to terms of "re-education through labour", an administrative penalty of up to three years' detention that can be imposed without trial.

Amnesty said at least 50 known dissidents had been rounded up shortly before the sixth anniversary of the Tiananmen Square massacre. At least nine were still in detention at the end of the year.

Others detained without trial in previous years, including the mainland's best-known dissident, Wei Jingsheng, were sentenced to long prison terms.

Wei, who had been held in unacknowledged detention since early 1994, was brought to trial last December on charges of "activities in an attempt to overthrow the government" and received a 1 year sentence.

The group said hundreds of Christians were arrested for holding illegal religious services, including more than 80 evangelical Protestants detained in Henan province in March. Reports from two mainly Catholic villages in the northern province of Hebei said villagers had been detained and tortured for resisting family-planning policies.

Amnesty said "widespread human rights violations" took place during the year in Tibet, including mass arrests of monks and nuns after police raids on places of worship. Many of the arrests followed a dispute over two rival claimants to the throne of the Panchen Lama.

China's ruling Communist Party and the exiled Dalai Lama have identified two different seven-year-old boys as reincarnations of the 10th Panchen Lama, who died in 1989. Amnesty said nearly 60 people had been detained for allegedly supporting the Dalai Lama's choice.

The report said Chinese authorities carried out unfair trials, with sentences often decided in advance, and tolerated widespread torture.

A Tibetan nun, Gyaltzen Kelsang, died in February 1995 shortly after her release from detention, reportedly as a result of beatings and harsh prison conditions.

Amnesty criticised the widespread use of capital punishment in China. The group said it had learned of 2,190 execution last year, many for non-violent offences, but believed the actual number was "far higher".

Executions in China represented three-quarters of the 2,931 executions the group documented throughout the world in 1995.

In its report on Taiwan, Amnesty criticised the use of the death penalty, which it said was sometimes imposed "after trials which appeared to fall short of international standards". At least 16 people were executed on the island last year.

The group reported that at least seven military conscripts had died "in suspicious circumstances" during the year and said safeguards against the physical abuse of draftees were inadequate.

**PRC: Jiang Calls for Cooperation Between CPC, Non-Party Leaders**

*HK1906081296 Beijing CHINA DAILY in English  
19 Jun 96 p 1*

[By Yang Yingshi: "CPC and Non-Party Leaders Convene"]

[PTS Transcribed Text for FBIS] Chinese President and Communist Party General Secretary Jiang Zemin yesterday called for more intimate co-operation between the Chinese Communist Party and the country's democratic parties, organizations and individuals.

Jiang met with leaders of the democratic parties, the National Federation of Industry and Commerce, and non-party individuals who recently returned from an inspection tour of the Beijing-Kowloon Railway.

The participants discussed important State issues with the president.

Jiang pointed out the significance of the meeting's timing, just a few days before the upcoming 75th anniversary of the Chinese Communist Party on July 1.

This underlines the close working relationship between the ruling party and other political groups and individuals, and symbolizes the political advantages of China's administrative system, Jiang stressed.

He expressed his hope that all democratic parties will play an active role in social stability and make greater contributions to the country's reform and construction and reunification of the motherland.

The gathering was presided over by Li Ruihuan, Chairman of the Chinese People's Political Consultative Conference (CPPCC) and Standing Committee member of the Political Bureau of the CPC Central Committee.

Premier Li Peng and Vice-Premier Zhu Rongji, also Standing Committee members of the Political Bureau of the CPC Central Committee, participated in the event.

At yesterday's meeting, Wang Zhaoguo, CPPCC vice-chairman and director of the CPC Central Committee's United Front Department (UFD), delivered a report

on the inspection tour which, organized by the UFD, covered the five provinces and five major cities along the new rail line.

The 2,536-kilometre railway project, built over the past three years at a cost of more than 40 billion yuan (\$4.8 billion), is scheduled to go into full operation this September.

The inspection team offered advice on reform and opening and economic construction and social development of areas along the railway, which is expected to be another dynamic economic belt and important transport artery for the country.

**PRC: Ruan Chongwu on Fighting Corruption**

*HK1806061896 Beijing RENMIN RIBAO in Chinese  
16 May 96 p 9*

[Article by Ruan Chongwu (7086 1504 2976): "Perfecting Mechanisms, Opposing Corruption, and Advocating Honesty and Cleanliness"]

[PTS Translated Text for FBIS] The phenomenon of corruption has emerged along with the rise of private property and private ownership; it is a social phenomenon whose means are forever changing with economic development. During the period of the shift from the planned economic structure to the socialist planned economic structure, the phenomenon of corruption more often than not has found expression in the behavior of some organizations or individuals that have certain social power in their hands, who infringe on the law and regulations, discipline, and moral standards, and run counter to set managerial objectives for personal gain.

Corruption seriously jeopardizes the normal order of social and economic development, causing losses to the state, increases in cost to enterprises, and heavier burdens on the masses; it does harm to social fairness and justice and helps to ruin individual morality. Should it spread unchecked, it will inevitably trigger all sorts of social contradictions, resulting in grave social and political problems. Since reform and opening up, while scoring tremendous accomplishments in modernization and construction, we have also encountered the severe challenge of the spread of corruption. Whether we are able to overcome corruption has a direct bearing on the success or failure of reform, opening up, and modernization as well as the future and fate of the party and state. Such being the case, we must adopt the principle of "treating symptoms as well as providing a radical cure, taking precaution as the key," and wage resolute struggles against corruption. "Treating symptoms" means penalizing corruption that exists or is emerging according to the law or related regulations, and doing

the best to eradicate the negative effects resulting from corruption. "Providing a radical cure" means precisely to go to the heart of the matter, proceeding from getting at the fountainhead of corruption, and strengthening the sense of being a public servant and the sense of behavioral norms of government workers through enhancing ideological and ethical education, strengthening the building of democracy and the legal system, completing and perfecting social administration with complete and transparent procedures for doing business to reduce to the minimum the possibility for the surfacing of corruption, and completing and perfecting supervisory and restrictive mechanisms to effectively supervise party and government organizations and workers to exercise their power according to the law and perform their duties, thus promptly checking the phenomenon of corruption and nipping it in the bud. Hainan has made active explorations on "providing a radical cure" in recent years.

**First, enhancing party building and education in ideology and ethics is the ideological guarantee for fighting corruption and advocating cleanness.** The ideological root of corruption is decadent money worship, hedonism, and extreme individualism. Those decadent ideas have nothing in common with the aims of our party, the goals of our government, and the traditional virtues of the Chinese nation. Only by enhancing development of party organization, ideology, and ethics, bringing forth the fine traditions of the Chinese nation, and elevating the degree of spiritual civilization of whole party will it be possible for the masses of cadres and party members to resist the attack of decadent ideas while establishing a correct world outlook, outlook on life, and value concepts. As Communist Party members and government public servants, they must not pursue personal fame and gain and must not turn themselves into captives of money. "One is strong being free of desire"; only by being free of vulgar appetites will one become an upright person who has lofty ideals, ethics, culture, and a sense of discipline, and is courageous in adhering to principle. Over the past few years, we have constantly conducted ideological education among party members and government public servants, and advocated dedication; taught our party members to bear firmly in mind the party aims and the historical mission that they bear, never forgetting that the status of the Communist Party in office has come at the cost of the life and blood of numerous martyrs, and thus ideologically guiding cadres and party members to understand correctly various social phenomena, correctly handle the relations between the individual and the party organization and between the individual and the masses, exert efforts to be honest in performing official duties, and resist corruption and guard against becoming morally degenerate; and guided party mem-

bers, especially party leading cadres, to employ power in their hands correctly, while planning for the interests of the masses, doing good things for them in all sincerity. At the same time, we have enhanced grassroots party organization building as well as the rallying force and combat effectiveness of party organizations; we have proceeded from grasping party and government discipline, earnestly implemented relevant regulations of the Central Discipline Inspection Commission and Ministry of Supervision, and organized cadres and party members of the whole party to study and examine themselves by comparing themselves with related stipulations. Through this work we have elevated the consciousness of the masses of cadres and party members to resist corruption and embodied the train of thought for work characterized by proceeding from getting at the ideological root while taking precaution as the key. **Second, completing and perfecting administration through formulating regulations and institutions to remove the soil and conditions for the rise of corruption step by step.** Many negative typical cases have fully demonstrated that power lacking restriction is the soil that gives rise to corruption. In the course of exercising power, corruption is liable to rise with excessive power of examination and approval, excessive links in examination and approval, invisibility in the use of power, and the lack of supervision and restriction on the use of power. Especially in matters that involve approving indexes or permits with "golden content," problems are liable to surface. The fundamental way out in resolving problems in this category lies precisely in standardizing the use of power. Through setting up regulations and institutions, power relations were readjusted rationally to reduce to the minimum links and power of examination and approval, while making them open and transparent. For example, since early 1993, Hainan proceeded from reform of direct registration of industrial and commercial enterprises, thus greatly simplifying procedures of examination and approval, cutting back 100-plus stamps of examination and approval. The number of permits has dropped from 100-plus before reform to 24 after reform. We have implemented doing business collectively in a hall, making public the procedures in doing business, setting deadlines for completing business, and making public the original procedures for doing business in a closed manner. Through implementing "one window in, another window out," direct contacts between external clients and internal office clerks are avoided, thus greatly reducing the possibility of corruption in the links of examination and approval. For another example, taking aim at malpractices in the system whereby regular tax collectors are in charge of tax collection of a number of enterprises, the latter are now allowed to declare and pay taxes at the taxation bu-

reau. Tax collection is now completely computerized, eliminating the arbitrariness resulting from the granting of tax reductions and exemptions through written notes as a favor by certain officials. Now tax collection departments examine enterprise accounting books and check enterprise status in tax payment. This ensures no loss in government tax revenues while reducing enterprises' perplexity in dealing with regular tax collectors, thus winning enterprise support. In still another example, Hainan has abolished all fee-collecting highway check posts and implemented the "four-in-one" charge reform, which merges road maintenance fees, highway tolls, bridge tolls, and management fees in the form of a fuel surcharge, collected all at once when oil is sold; when the "four-in-one" charge is collected, it will be distributed for the construction, maintenance, and management of highways according to relevant regulations. To refrain from increasing the burden of vehicle owners, we only calculate the proportion of the oil surcharge based on the general level of the original charges. However, the volume of the oil surcharge collected by the province went up by 58 percent from the volume before the reform. This showed that a lot of money had gone to individuals or small organizations in the original practice, through shocking loopholes.

All these reforms share a marked characteristic, namely, "establishing rules before taking action" and "carrying out administration according to the law." Over the past few years, the provincial people's congress has deliberated and adopted scores of local decrees and regulations the majority of which involve rational division of power and functions, cutback in examination and approval links, and standardizing operational procedures regarding administrative power. We have made public these decrees and regulations so that the whole society may understand somewhat the procedures and regulations in these aspects, while promoting openness and transparency in the operation of power. The stipulation "refrain from issuing personal written instructive notes, do not recognize such notes" has struck root in people's minds. In practical work, we have discovered problems in existing systems through handling cases, upon which we adopt measures and find ways to plug loopholes.

**Third, opposing corruption and advocating cleanness is a comprehensive system engineering project that calls for effective restrictive and supervisory mechanisms.** The greater the administrative power, the greater the need for effective supervision and restriction. The supervision of administrative power is primarily the mutual supervision between the superior and subordinates within the government, between various departments, between the former and the latter links in procedures, and among colleagues. Administrative reconsideration,

audit control, and administrative supervision also fall in the category of government internal control. External control over the government primarily means control of the power organ, namely, the people's congress. For example, the people's congress deliberates and approves the laws, decrees, and regulations the government has set forth, checks administrative law enforcement, and deals with citizen's complaints. Second, judicial control: The "Constitution" stipulates that the procuratorate is endowed with the right to supervise the administrative behavior of the government and its workers; the people's court supervises or penalizes specific administrative or law-breaking behavior through administrative or criminal lawsuits. Third, mass supervision: It is a right of the masses to directly participate in and run state and social affairs, exercising their right of being the masters; this is also the concrete embodiment of realizing people's democracy. Mass supervision includes making proposals, criticizing, informing against, complaining, and suing the government and its workers. All these rights are stipulated in the "Constitution"; aside from being exercised by individual citizens, mass supervision can be carried out through various democratic parties and various popular organizations. And fourth, supervision of public opinion: Such supervision is implemented mainly through such instruments of opinion as the press, radio broadcasts, and television broadcasts, especially through exposing and criticizing certain outstanding ugly social phenomena. At present, supervision in this aspect needs to be strengthened. The starting point of opinion supervision must be maintaining the overall situation of unity and stability; positive guidance must be predominant, but some typical cases can also be selected and publicized to play an educational role. In addition, there is party disciplinary and organizational supervision. In a nutshell, the greater the power, the stricter the supervision and restriction required. This is the best way to protect cadres and party members as well as the most effective measure to overcome bureaucracy, oppose corruption, and advocate cleanness in mechanisms and institutions.

It is imperative to "treat symptoms while providing a radical cure, taking precaution as the key" in opposing corruption and advocating cleanness; but this does not mean neglecting to handle cases. On the contrary, investigating and handling cases of corruption is a very important aspect in eliminating corruption. With regard to corruption, those cases verified must be severely dealt with according to the law. This is also a major task for judicial, discipline inspection, and supervision departments.

**PRC: Qiao Shi Meets Legal Education Pace Setters**  
*OW1906141896 Beijing XINHUA in English*  
1400 GMT 19 Jun 96

[FBIS Transcribed Text] Beijing, June 19 (XINHUA)  
— A national working conference today cited 575 units and 1,000 individuals as models or pace-setters of legal education.

Qiao Shi, chairman of the National People's Congress Standing Committee, along with other leading officials, met participants to the Fourth National Working Conference on the Publicity and Education of Law.

The conference called on the whole nation to learn from the models in promoting the practice of running the country by law.

Over the years, the Chinese government has launched nation-wide campaigns to publicize and educate people in legal knowledge.

By the end of 1995, at least 700 million people in the country had participated in some kind of training on legal matters, according to the meeting.

This year saw the start of China's third five-year plan to popularize the knowledge of law with that of Constitution as the focus.

**PRC: Qiao Shi Inspects Three Gorges Project; Urges Excellence**

*OW1906163496 Beijing XINHUA in English*  
1520 GMT 19 Jun 96

[FBIS Transcribed Text] Beijing, June 19 (XINHUA)  
— A top Chinese leader has urged the army of workers building the Three Gorges Dam to do an excellent job to ensure it become a showpiece project that will benefit the future generations.

The work of construction was quite satisfying so far — but the need for top quality was stressed because of the importance of the scheme to China's economy, said Qiao Shi, chairman of the standing committee of the National People's Congress [NPC].

Efforts must be made to ensure that the project be built strictly in accordance with the design requirements, said Qiao when inspecting the on-going construction of the project, along with other senior NPC officials.

Qiao and six NPC Standing Committee vice-chairmen were very pleased with the work that has been done so far after they visited the project's construction sites and resettled homes in Sichuan and Hubei province through June 14-18.

Qiao said the National People's Congress has attached tremendous importance to the construction of the project

because it has a major bearing on the country's economic development and people's livelihood.

During his inspection the NPC chairman stressed the quality of the project, saying that close examination and strict control should be made over the project's quality and every piece of work must meet the design requirements.

The main equipment for the project, no matter home-made or imported, must be first-rate and up to the world's advanced standard, Qiao said, adding that construction of the project should serve to raise the overall level of China's hydroelectric machinery making technology and capabilities.

Speaking of the issue of resettlement of local residents, Qiao said the matter is vital to the progress and success of the whole project.

Efforts should be made to stick to the principle of resettlement in the form of development, he said, adding that resettlement should be combined with the development and opening-up of the dam area.

Preferential policies should be made to attract investment from other places in the country, he said.

Also, Qiao expounded on the issue of ecology and environmental protection in the dam area, saying that enough attention must be paid to the problem of pollution and measures should be taken in time to guard against the project's possible impact on environment and ecology, so that construction will go hand in hand with environmental protection.

Industrial pollution must be strictly controlled, while the industrial setup of the dam area should be well adjusted, encouraging those industries with no or little pollution, Qiao said.

The top legislator went into such details as sewage systems for the new residential areas, vegetation protection, afforestation, water and soil conservation and water quality of the Yangtze River, in calling for enhanced awareness of environmental protection among people, officials in particular, in the area.

**PRC: NPC Team Checks Enforcement of Customs Law in Fujian**

*OW1806105296 Fuzhou Fujian People's Radio*  
*Network in Mandarin 2300 GMT 14 Jun 96*

[FBIS Translated Text] An inspection team of the Foreign Affairs Committee of the National People's Congress [NPC], headed by Zhu Qizhen, member of the NPC Standing Committee and vice chairman of the NPC Foreign Affairs Committee, came to Fujian

Province recently to inspect the enforcement of the Customs Law. The inspection team will conduct an on-the-spot inspection in the trading posts of Fuzhou, Xiamen, Quanzhou, and (Wuyishan), and hear briefings by the customs, foreign economic relations and trade commission, offices of trading posts, and foreign trade companies.

The inspection team will conduct their activities in Fujian until 21 June. Qia Qinglin, secretary of the provincial party committee and chairman of the provincial people's congress standing committee, and Yuan Qitong, vice chairman of the provincial people's congress standing committee, met with all members of the inspection team on the day of their arrival.

#### **PRC: NPC Standing Committee To Launch Official Paper**

*HK1806060496 Hong Kong MING PAO in Chinese  
31 May 96 p A2*

[Special article by special staff correspondent Wang Ling-chen (3769 7227 3791): "NPC Standing Committee Decides To Launch Paper To Publicize Legal System"]

[PTS Translated Text for FBIS] According to Beijing-based sources, the CPC Central Committee has decided to allow the National People's Congress [NPC] Standing Committee to launch an official paper of its own. Though the paper has yet to be named, it will probably be called "ZHONGGUO RENDA BAO" [0022 0948 0086 1129 1032, Chinese NPC News]. NPC Chairman Qiao Shi has expressed the hope that in future, before being submitted to the NPC for deliberation and ratification, some draft laws can first be published in the NPC paper so that the public can discuss them. Qiao Shi also suggested that more young people be allowed to sit on people's congress standing committees so that the people's congresses can transfer competent officials to party committees and governments and even transfer officials to work as provincial party committee secretaries or governors. Qiao Shi's proposal runs counter to the existing practice that people's congress standing committees are mainly composed of retired senior officials.

It was learned that the NPC Standing Committee has long planned to launch an official paper of its own with an eye on stepping up legal system propaganda and supervision of public opinion. However, the relevant propaganda departments have not yet given the go-ahead on the ground that the supreme state legislature is a solemn organ that should conduct legislative discussions in a prudent way free from external interference. Nevertheless, the Chinese People's Political Consultative Con-

ference [CPPCC] National Committee launched "REN-MIN ZHENGXIE BAO" [CPPCC News] as long ago as 1984, thus providing CPPCC committee members and democratic party members with a limited forum to air their views.

In accordance with Chinese law, CPPCC committees are allowed to participate in discussion and management of state affairs. Free expression of opinions by CPPCC committee members is unlikely to harm the government's authority. However, an official paper launched by the supreme state legislature is likely to cause trouble if placed under improper control.

NPC Chairman Qiao Shi recently confirmed that the central authorities have decided to allow the NPC to launch an official paper of its own and that it will probably be named "ZHONGGUO RENDA BAO." Apart from publicizing the legal system, the NPC paper is expected to publish some important draft laws so that the public can discuss and express views on them, thus making NPC decisionmaking more democratic, less flawless, and higher in quality.

Qiao Shi is concerned that the present NPC will not be able to fulfill the set legislative tasks. In accordance with the original plan, the present NPC has to fulfill over 150 legislative tasks. The present NPC has discussed more than 90 draft laws and enacted and promulgated 72 laws. Since the NPC still has 70-80 draft laws to deliberate, enact, and promulgate in less than two years, Qiao Shi said that the NPC will have to face an increasingly difficult legislative task with each passing day. For instance, the NPC will have to revise the "Social Security Law," "State-Owned Assets Law," "Taxation Law," "Criminal Law," and certain other laws.

#### **It Is Necessary for People's Congress Standing Committee Members To Be Younger in Average Age**

According to well-informed sources, Qiao Shi and NPC Vice Chairman Tian Jiyun recently spoke on the question of NPC building. Both of them suggested that more young people should be allowed to sit on people's congress standing committees so that people's congresses can become a training ground for young and promising officials. The people's congresses concerned should also conduct personnel exchanges with the party committees and governments concerned, they added. The spirit of their speeches is now being relayed to lower levels.

Up to now, people's congress standing committees at all levels in China are formed by both former party committee and government officials that have reached

official retirement age and a certain percentage of democratic parties leaders.

It was learned that Qiao Shi and Tian Jiyun held that it is good to allow a certain percentage of young people to sit on the people's congress committees. After working in the people's congresses for some time, these young officials will cultivate a stronger sense of the legal system, understand the law, and know more about laws. The people's congresses concerned can transfer some promising young officials to work as provincial departments directors or vice provincial governors. Those who prove to be good vice governors can then be promoted as provincial governors.

**PRC: Zou Jiahua Speaks at Establishment of Power-Grid Company**

OW1806144596 Beijing XINHUA in English  
1418 GMT 18 Jun 96

[FBIS Transcribed Text] Beijing, June 18 (XINHUA) — China today made a major step in the building of a national power grid with the setting up of the State Power Grid Development Company in Beijing.

The company, solely invested by the state, has a registered capital of 2.5 billion yuan (about 301 million US dollars).

The Ministry of Power Industry will exercise a shareholder's rights, and at the same time manage the company, said minister Shi Dazhen.

At today's inauguration ceremony, Chinese vice-premier Zou Jiahua said that the establishment of the company is an important decision of the State Council, China's highest governing body.

Zou said that construction of power grids, which need overall planning nationwide, has become a significant issue in the country's development of power.

At present China has 12 major local power grids, but a national power grid has not come into being.

In the initial stage, the company will be in charge of the Three Gorges Power Grid System's investments, construction and management, making sure that construction of the system keeps in pace with the development of the Three Gorges Project, Shi said.

The gigantic Three Gorges hydro-electrical power project is expected to have an installed generating capacity of 18.2 million kilowatts when it is completed in 2009.

In China, construction of power plants and power grids are separated from each other after the reforms of the power industry sector.

The Three Gorges Power Grid System, the largest project China has ever launched in power transmission, will link nine provinces and cities along the Chang Jiang River, and help transmit electricity from western part to the east, and connect central and eastern power grids, Shi said.

The company will also coordinate relevant power grid administrations or provincial power companies in raising money, and will be responsible for planning, building and managing projects for the connection of major local power grids, as well as perform other duties.

**PRC: Party Approves New Publication of Political Documents**

OW1806162596 Beijing XINHUA in English  
1607 GMT 18 Jun 96

[FBIS Transcribed Text] Beijing, June 18 (XINHUA) — The Chinese Communist Party Central Committee has approved a new publication of its recent major documents.

"Selected Important Documents Since the 14th CPC National Congress", first volume, is a collection of political material made by top decision-makers between October 1992 and September 1994.

The book, compiled by the Party Literature Research Center of the CPC Central Committee, contains 68 articles, including regular files, laws, regulations as well as reports and speeches made by Chinese leaders.

According to the People's Publishing House, the publisher, the book will give people an idea about the progress achieved in the Chinese economy and society, thanks to the leadership of the Party Central Committee with general secretary Jiang Zemin at its core in recent years.

It is the Party that has set a guideline that all the Communist Party members should be armed with the theory of building socialism with Chinese characteristics put forward by Deng Xiaoping, and made a decision to build a socialist market economy, the book shows.

The book also records many other measures the Party has adopted to reform the economy, improve people's spiritual lives, and maintain a clean government.

The 14th CPC National Congress, held between October 12 and 18 in 1992, was especially important in the Party's history as it decided that the pace of reform and opening should be sped up, and that the establishment of a socialist market economy must be the goal of China's economic reform.

**PRC: Leaders Discuss Economy With Democratic Party Members**

OW1806162796 Beijing XINHUA in English  
1620 GMT 18 Jun 96

[FBIS Transcribed Text] Beijing, June 18 (XINHUA) — Chinese leaders today held talks with democratic party officials on issues of economic development.

Leaders of the democratic parties, who have made an inspection of the provinces and cities along the Beijing-Kowloon Railway, offered advice and suggestions on the construction of the railway, the development of central China and the revolutionary base areas, and further development of the special economic zones.

They also offered suggestions on narrowing the gap of disparity between Eastern and Western China and quickening the pace of development of agriculture by displaying the advantages of the localities.

Jiang Zemin, general secretary of the Chinese Communist Party (CPC) Central Committee, spoke at the meeting, welcoming the suggestions and firm support to the Communist Party and the central government.

Jiang said China has drafted its Ninth Five-Year Plan (1996-2000) and the long-term objectives to the year of 2010. To achieve the goal is a historical task of the ruling party and parties participating in government and political affairs.

He expressed his hope that all democratic parties will play an active role in social stability and make greater contributions to the country's reform and construction and reunification of the motherland.

Li Ruihuan, chairman of the Chinese People's Political Consultative Conference, said at the meeting that it was helpful for the leaders of democratic parties to inspect the construction of the country's major projects.

It was of great significance for them to participate in the building of the government and political affairs, said Li who is also member of the Standing Committee of the Political Bureau of the CPC Central Committee.

Also attending the meeting were Li Peng and Zhu Rongji, members of the Standing Committee of the Political Bureau of the CPC Central Committee.

**PRC: Ismail Amat, Others Encourage Youth To Help Ethnic Areas**

OW1906134696 Beijing XINHUA in English  
1250 GMT 19 Jun 96

[FBIS Transcribed Text] Beijing, June 19 (XINHUA) — China is encouraging young people to participate in

the economic construction of areas inhabited by ethnic groups.

A meeting on exchange experience among outstanding young people from ethnic areas was held today in Beijing by the State Nationalities Affairs Commission (SNAC), Communist Youth League of China (CYLC), and All-China Youth Federation (ACYF).

This was the first time such a meeting had taken place in China, and was designed to cultivate a friendly environment of aiding ethnic areas in the country, and encourage more young people to help people in ethnic areas become better off.

One hundred outstanding young people were rewarded for the long-term contributions they have made to the advancement of ethnic areas across the country.

State Councillor Ismail Amat, also minister in charge of the SNAC, told young people to cherish unity of various nationalities in the way they take good care of their eyes.

Li Keqiang, first secretary of the secretariat of the CYLC Central Committee, encouraged young people to work in border areas and ethnic areas and introduce advanced technologies to those areas. Li asked young people to help train more professionals for the areas.

The Gross Domestic Product (GDP) of ethnic areas across China reached 561 billion yuan (nearly 68 billion U.S. dollars) in 1995, an 11.9 percent increase over the previous year. The increasing rate was 1.7 percentage point higher than that of the whole country.

The Chinese government paid much attention to talent training for ethnic areas. Thirteen colleges and universities across the country exclusively enroll students from ethnic areas.

All schools in the country also recruit ethnic students. There are 17 cities in inland areas which enroll students from Tibet and organize special classes for them. More than 8,000 students from Tibet are receiving school education in what is called "Tibetan classes."

"Xinjiang classes" designed for students from northwest China's Xinjiang Uygur Autonomous Region have also been set up in some colleges and universities.

**PRC: Li Peng Calls For Strengthening Vocational Education**

OW1906044496 Beijing XINHUA Domestic Service  
in Chinese 1058 GMT 17 Jun 96

[By reporter Yin Hongzhu (1438 7703 4376), Zhang Sutang (1728 1372 1016)]

[FBIS Translated Text] Beijing, 17 Jun (XINHUA) — Premier Li Peng met participants to the national working conference on vocational education this afternoon at the Great Hall of People. He pointed out that with the establishment of a socialist market economy, economic development calls for more practical talents within various specialties. He urged party committees and governments at all levels to attach great importance to vocational education and seriously implement the party's policy of vigorous efforts and cooperation among all sectors to develop vocational education. By summing up experiences, according to the needs of the society, we must cultivate a great number of socialist-minded workers with professional skills who are developed morally, intellectually, and physically.

This is the third national working conference on vocational education following the start of reform and opening to the outside world. At the first of such conference held in 1986, Li Peng gave a comprehensive explanation on the significance of developing vocational education. During this afternoon's meeting, Li Peng first of all wished the conference complete success. He said: vocational education is a major component of China's educational undertaking and has played a significant role in the process of achieving socialist modernization. Thanks to the efforts made in the process of reform and opening to the outside world during the past 10 years or more, China has achieved remarkable results in developing vocational education. The enrollment ratio between secondary vocational schools and ordinary high schools has exceeded the one-to-one target, with enrollment to secondary vocational schools reaching 58 percent of the total enrollment. Judging from this trend, by the end of this century and in the process of realizing the Outline of "the Ninth Five-Year Plan" and the Long-Range Objectives to the Year 2010, the target of 70 percent of the total enrollment is attainable in more developed areas.

Li Peng said, the party and the government have always attached great importance to vocational education. Developing vocational education is an important measure in improving the quality of our country's labor force and making rational use of our resources of talents to improve the quality of our products. We must, after summing up our own practical experience, take note of and learn from the successful experiences of developed countries in their efforts to promote vocational educa-

tion. The party and the government must strengthen the overall management of vocational education, create a structure in which various departments and trades as well as the society work together to promote vocational education; cultivate more new-style workers who are skilled and patriotic, who will work hard to contribute to the building of a socialism with Chinese characteristics, and who are developed morally, intellectually and physically. He said, at present, the shortage of teachers poses a problem in the development of vocational education. For that, educational departments should devote tremendous effort in cultivating, through various channels, a number of teachers who are committed to vocational education.

Li Peng said: The difficulty in popularizing compulsory education lies in rural areas. In some places, even the literacy rate is falling. One important reason is that the content of education does not fit the peasants' practical production and work and the proportion of practical knowledge on agricultural science and technology is relatively small. After rural young people leave school, they are unable to apply effectively the cultural knowledge they have learned to agricultural production and their daily lives. Therefore, on the one hand, we must add vocational education to the content of rural basic education; and on the other hand, we must devote great efforts in developing vocational education in rural areas to consolidate the result of basic education and help cultivate a great number of new-style peasants who are well-trained in modern science and technology.

Vice Premiers Li Lanqing and Wu Bangguo were present at the meeting.

**PRC: Beijing To Publish 'Atlas of Shame' by End of Year**

OW1906124996 Beijing XINHUA in English  
1227 GMT 19 Jun 96

[FBIS Transcribed Text] Beijing, June 19 (XINHUA) — An "atlas of shame" to chart in graphic details China's humiliation at the hands of world powers over the past century is to be published.

The People's Publishing House of China, one of the country's leading publishers, is compiling the atlas of the national humiliation.

The atlas will consist of nearly a hundred maps which will be complemented with written explanations, tables, and pictures to portray the humiliation and invasions world powers inflicted upon China since the first Opium War in 1840.

It will be divided into five parts, following the time sequence of the historical events.

- First: Western powers used their battleships and guns to force the government of the Qing Dynasty (1644-1911) to cede territory and pay indemnities, dumping opium and commodities into China.

- Second: World powers continued to intensify their invasion of China;

- Third: The Japanese launched the Sino-Japanese War of 1894-1895;

- Fourth: The imperialist powers looted China's rights and resources;

- Fifth: The Japanese imperialists launched the war of aggression against China (1937-1945).

The atlas, targeted at youth as its major readers, will be published by the end of this year, to mark China's resuming exercise of sovereignty over Hong Kong in 1997.

#### **PRC: 'Intensified Fight' on Ideology in Advance of CPC Plenum**

*HK1806074196 Hong Kong HONGKONG  
STANDARD in English 18 Jun 96 p 5*

[By China editor Cary Huang]

[PTS Transcribed Text for FBIS] Reformist and conservative camps within the ruling Communist Party are locked in an intensified fight on ideological issues in preparation for the upcoming plenum.

The party's sixth plenum is set to focus on ideological issues, but factions are divided over whether to place emphasis on politics or on the rule of law in order to boost the party's legitimacy.

Chinese President and party chief Jiang Zemin has bowed this year to pressure from Maoist remnants and leftist propagandists to launch a campaign to revive some parts of Maoism, such as the call for cadres to "talk about politics".

But cadres at the moderate stronghold, the National People's Congress (NPC) or parliament, are calling for a campaign to raise Chinese awareness on the rule of law.

Chinese sources said a nationwide education campaign to boost the population's and officials' knowledge of law would offset a leftist emphasis on politics.

With the plenum set to be held in September, officials from both camps are gearing up for a propaganda fanfare.

In recent internal speeches, NPC chairman Qiao Shi and vice-chairman Tian Jiyun have repeatedly talked about an urgent need to impose the concept of the rule of

law, saying that this is crucial for the country in its bid to build a market economy and to boost the party's legitimacy in changing conditions.

While NPC cadres were working out a five-year plan for legal education, conservative officials in charge of ideological work are mounting a campaign on ideological education, with internal circulars calling for a resumption of Maoist practices.

Sandwiched between both factions, the moderate propaganda chief Ding Guangen is applying dual-face tactics to satisfy calls from both sides, Chinese sources said.

They pointed out that a contradictory message was recently given by the Ding-headed Propaganda Department of the Communist Party of China.

The department has issued several internal documents calling for an upgraded ideological campaign and for cadres to emphasise politics, while at the same time organising activities to promote people's legal sense and a campaign on legal education.

A four-day national conference kicked off in Beijing yesterday to discuss the implementation of a five-year plan on legal education.

The conference is being supported by senior NPC leaders, the Propaganda Department and the Justice Ministry.

#### **PRC: Social Security Coverage Enlarged**

*OW1806083696 Beijing XINHUA in English  
0801 GMT 18 Jun 96*

[FBIS Transcribed Text] Beijing, June 18 (XINHUA) — China collected a total of 97 billion yuan in social security funds, and spent 85 billion yuan of it by the end of 1995, latest statistics show.

During the twelve month period 3.5 billion yuan was collected, and 1.9 billion yuan spent, 1.5 billion yuan of the latter to cover unemployment relief and promote re-employment.

A total of 95 million Chinese workers were insured against unemployment, and for state enterprises and collectively-owned enterprises in townships, pension insurance covered every corner of the country.

By the end of 1995, some 87 million employees working in townships and 22 million retired workers across the country had joined the mutual assistance fund for old-age pension.

As many as seven million workers in 420 cities and counties were involved in the mutual assistance fund for medical expenses for serious illness cover by the

end of 1995, a rise of 87.6 percent compared with the figure of the previous year.

**PRC: Senior Staff Member of Shell Office Detained Since February**

HK1806073796 Hong Kong SOUTH CHINA  
MORNING POST in English 18 Jun 96 p 8

[By Peter Seidlitz and David Murphy in Beijing]

[PTS Transcribed Text for FBIS] Beijing staff of Shell, which is planning a US\$6 billion (HK\$46.38 billion) petrochemical complex, and Chinese oil industry and provincial officials are being investigated by judicial and state security authorities.

A leading staff member of the Beijing representative office, Xu Yichun, has been detained and not been seen since.

Jeremy Frearson, a spokesman for the Anglo-Dutch multinational, said: "We are deeply concerned about the matter.

"This is very serious as we have not been able to contact her."

The Beijing business community and the Dutch Government are following the case with equal anxiety.

A high-ranking Dutch diplomat in Beijing said the case raised "the fundamental question as to whether multinational companies who are out to localise positions in their China operations can really employ Chinese in leading jobs as they are not in a position to offer them legal protection".

The case also shows that despite attempts by Beijing to build up a legal system, state security organs can act largely at will.

They are in a position to detain Chinese staff members in foreign companies without feeling any obligation to tell the company about the alleged crimes.

Mrs Xu, a former employee of Xinhua (the New China News Agency), was working from Shell's representative office in Beijing, lobbying Government officials, before her arrest in February.

Since then no word has been heard from her. The position of government liaison manager is one that has been created by most foreign multinational corporations with offices in Beijing.

The lobbyists try to develop close relations with Chinese bureaucrats in the State Council and the ministries in order to push their company's projects.

The Dutch arm of Shell has been negotiating for a considerable time with the Chinese Ministry of Oil to build a huge petrochemical complex in Nanhai.

Shell has already completed a feasibility study and is prepared to invest US\$6 billion to build a new refinery.

Unconfirmed reports said mainland investigators were concentrating on the allegation that Mrs Xu obtained position papers belonging to the Chinese authorities for Shell and the possibility that money changed hands.

**\*PRC: Obstacles to Implementation of Administrative Proceedings Law**

Beijing FAZHI RIBAO in Chinese 7 Mar 96 p 7

[Article by Ma Huaide (7456 2037 1795) and Liu Xin (0491 5450): "Existing Problems in Implementing Administrative Proceedings Law"]

[FBIS Translated Text] Since the implementation of the Administrative Procedure Law, there have emerged some actual problems in the course of applying this law. These problems can be summarized as follows:

**I. Problems in Making the Administrative Procedure Law Itself**

1. In its stipulation on the scope of accepting cases, the law is not clear enough on the specific administrative actions that are actionable. For example, are normative documents below administrative rules and regulations actionable? Are administrative actions taken by any public security organization which abuses its authority under the pretence of conducting criminal investigation actionable? Are decisions other than those on rewards and penalties to and appointments and removals of personnel made by an administrative organization actionable? Are actions other than those taken by personnel of an administrative organization in performing their duties considered specific administrative actions, and are they actionable? Are actions taken by administrative organizations in making rulings in arbitration and mediation and in handling cases actionable? All this is not clearly specified in the law. This has inevitably touched off some disputes. In particular, the stipulation of the Administrative Procedure Law is ambiguous in defining the passage about "decisions on rewards and penalties to and appointments and removals of personnel made by any state administrative organization." This has caused a great deal of misunderstanding and misinterpretation, and prevented courts from exercising their judicial authority.

The law has no stipulation concerning the nature and suitability of any decision made by an administrative organization in carrying out arbitration or mediation for

any dispute between civil subjects. As a result, the interpretation provided by the Regulations on Administrative Reconsideration on this issue is inconsistent with what the law implies.

The law has made no clear-cut stipulation on whether actions taken by personnel of administrative organizations such as battery, opening fire, and the use of weapons and police equipment are indictable. In this connection, this law does not dovetail with the State Compensation Law.

2. On the issue of jurisdiction, the courts find difficulties to independently administer justice in trying administrative cases due to the fact that the level of the competent court that handles administrative cases as stipulated by the law is too low and because of the actual restrictions imposed on the courts by the government at the corresponding level regarding human, financial and material resources.

3. With regard to litigants and litigant participants, the law has not clearly specified the qualification of a plaintiff. It only vaguely stipulates that "The plaintiff is a citizen, legal person, or an organization that believes that his or its legal right or interest has been encroached upon by any concrete administrative action." As a result, some courts have regarded indirect undertakers, parties in interest, nonlegal persons, unincorporated organizations, and those legal persons or incorporated organizations that are not qualified as legal persons because of their lawbreaking deeds as unqualified plaintiffs. They are not allowed to file any claim. In its stipulation on the qualification of a defendant, the law fails to distinguish authorization from entrustment. It is not so clear whether organizations authorized by regulations, enterprises and units, and other organizations authorized by normative documents below the level of regulations may become defendants. This has caused a chaotic situation in practice. In addition, no clear-cut stipulation has been made on the status of a third party complaint.

4. On the issue of instituting proceedings and taking up cases, the three-month time limit set by the law for taking a legal action is apparently too short. The right of the plaintiff to institute an action is not truly protected. The law has not explicitly stipulated whether provisions on the lapse of time and interruption of prescription in the civil code are applicable in the Administrative Procedure Law. As for handling cases for the reconsideration of decisions, the law sets the time limit for filing a petition for reconsideration is 15 days. It is inconsistent with the provisions of three-month time limit for direct legal action and of one-year postponement for trial. In addition, the law also makes no clear-out stipulation on whether a litigant may appeal

a case if the court of first instance neither accepts the case nor gives a written ruling and whether such a case is within the scope of supervision by the procuratorate. To a certain extent, this will affect the rights of the plaintiff to take legal action.

5. In hearing and adjudicating cases, should the court of second instance accept any evidence provided by the defendant, which he had not produced at the court of first instance? If the court of first instance ruled that the defendant had lost the lawsuit because of this, can the court of second instance revise the original sentence? Can the court apply rules and regulations. In dealing with a public security administrative case being tried in a court, can the court continue its proceedings, if the defendant, as an inditree, turns its action to conclude the case into one of arrest or criminal detention? It is difficult for the court to decide on the time limit for the defendant's act of omission, if the plaintiff takes a negative act in a lawsuit. The court has no right to change the affirmative action taken or the ruling made by an administrative organization in a civil dispute. There is no form of confirmation or adjudication for facts in performing one's duties. So far, the court has made no adjudication to reject any lawsuit initiated by the plaintiff.

6. On the issue of compensation, there exists the problem of inconsistency between provisions of the Administrative Procedure Law and those of the State Compensation Law. For example, there are expenses for a lawsuit, while there is no such obligation in making a claim for compensation. The time limit for a lawsuit is three months, while that for filing a claim for compensation is two years. If the litigant gives up the opportunity to file a claim for compensation during a lawsuit, he can still separately file a claim for compensation at a later date. However, if the claim for compensation is filed with a petition for administrative reconsideration when a lawsuit is under way, the legal capacity to sue will be greatly limited because of various reasons such as time. Also, the difference in time limits in filing actions is excessively greater.

The Administrative Procedure Law has not stipulated whether compensation can be made for some losses incurred from special administrative actions. For example, the law has not clearly stipulated if compensation can be made through administrative lawsuits for losses because of a license or an illegal license issued by an administrative organization which has acted in excess of its authority.

## II. Problems in Understanding Administrative Procedure Law

The provisions of the Administrative Procedure Law on many issues are of a principled nature. Therefore, it is extremely easy to create misunderstanding among the people in the practice of administrative reconsideration and trial. For example, the Administrative Procedure Law stipulates that the court accepts no lawsuit filed by a citizen or legal person against "acts of state involving national defense, diplomatic affairs, and so on." Apparently, the act of state has a specific meaning. Some people mistakenly believe that all acts in connection with national defense and diplomatic affairs such as visa issuance, import and export business, and so on are acts of state. Obviously this concept has been distorted and magnified.

The Administrative Procedure Law has not clearly defined the concept of concrete administrative actions. A concrete administrative action is construed in a jurisdictional interpretation by the Supreme People's Court as an "unilateral action with the characteristics of rights and obligations taken against a citizen, legal person or other organization." This stipulation has virtually left the act of contract and that act of agreement out of specific administrative actions.

Due to the fact the law is excessively ambiguous in defining the qualification of the plaintiff, there are always disputes on the issue of whether or not undertakers for nonadministrative actions have the rights to sue. There are also a great deal of misunderstanding in this connection.

## III. Existing Problems in the Theory of Administrative Lawsuits

1. We must study hard the theory of administrative lawsuits. Right now, the study of concrete, abstract, internal, and external administrative actions and of the actions of confirmation, permission, adjudication, mediation and disposition lags far behind the development in practicing the administrative legal system. We still need to further study the issues about the validity, time limit, abatement, alteration, abrogation, and rescission in establishing an administrative action and the flaw of such an action.

2. We must study hard the theory on proceedings. Efforts must also be made to distinguish legal proceedings from nonlegal proceedings; necessary proceedings from proceedings that may be simplified and omitted; and general proceedings from emergency proceedings (and summary proceedings). It is necessary to study

the steps, links, and validity of legal proceedings, the relations between procedural lawbreaking and substantive lawbreaking, and the difference between entitlement proceedings and obligation proceedings.

3. We must study the theories on lawbreaking and liability. We should study hard the essentials which constitute an administrative breach of law, and explore the characteristics in acting beyond one's authority, abusing one's power, breaking the law in proceedings, acting without authorization, and wrongly applying any law.

4. We should further develop the theory on administrative subjects. There are all kinds of defendants in various types of administrative lawsuits. This makes things difficult for the court to identify the status of a subject. In order to standardize the capacity of a defendant, we must study hard the capacity, the legal status, and the structure of the administrative subject.

5. We should further study the time limit, conditions for taking a legal action, means of execution, forms of administrative trial, applicable laws, and other issues concerning any administrative lawsuit.

### \*PRC: Legal Status of Women Evaluated

Beijing FAZHI RIBAO in Chinese 7 Mar 96 p 7

[Article by Hu Xiaolin (5170 2556 2651): "Legal Status of Women in China Evaluated"]

[FBIS Translated Text] Women in China live in a fine environment of legal protection. This kind of advantage is beyond comparison in the world. During the 47 years since the founding of New China, the party and government in China have always advocated equality between men and women, paid attention to and supported women's development, and attached importance to studying and solving problems for women. Achievements of world interest have been made for the cause of women, and the legal status of women has been recognized and ascertained in China. Right now, with the constitution as the basis and the "Law on Safeguarding the Rights and Interests of Women" as the core, an entire legal system to safeguard women's rights and interests and help women develop themselves has been established. It includes laws and regulations such as the "Marriage Law," the "Law of Inheritance," the "Labor Law," and the "Law on Maternal and Child Care." Relevant organizations and institutions to protect women's rights and interests have been established, and effective measures taken to help women develop themselves.

First, China's basic law, the constitution, has fully ascertained the legal status of women and advocated full equality between men and women. Second, the special laws in China such as the "Law on Safeguarding the Rights and Interests of Women" and the "Regulations Governing Labor Protection for Women Employees" have specifically analyzed and set forth the legal status of women. For example, the "Law on Safeguarding the Rights and Interests of Women" has made overall stipulations in 54 articles and nine chapters concerning women's rights and interests on political, cultural, educational, labor, property, personal and marriage aspects, and family life. All these stipulations represent one single thought which covers equality between men and women and the three principles—the principle of prohibiting any discrimination, maltreatment, and persecution of women, the principle of protecting women's specific rights and interests, and the principle of gradually improving the social security system for women. The enactment of the "Law on Safeguarding the Rights and Interests of Women" adds a new chapter in the history of democracy and the legal system in China. It is also unprecedented in the world. It pushes the legal status of Chinese women to a new height. Third, China's departmental laws have recognized and extended the legal status of women. The various departmental laws in China including the "Electoral Law," the "Organic Law of People's Governments," the "Organic Law of People's Courts," the "Compulsory Education Law," the "Marriage Law," the "General Principles of the Civil Law," the "Law of Civil Procedures," the "Criminal Law," the "Criminal Procedure Law," the "Law of Inheritance," and so forth have relevant stipulations for promoting sexual equality and specifically handling particular issues on women. The various departmental laws have reaffirmed the legal status of women from different points of view. Finally, the local statutes at all levels in various localities have stipulations or flexible stipulations on women's rights and interests. From all this, we can see that legally Chinese women enjoy completely equal rights as their male counterparts. This has provided a foundation and prerequisite for the work of protecting women's rights and interests of women, and given women a legal weapon with the state mandate as their backing.

The legitimate rights enjoyed by women in China is still imperfect and insufficient in real life. There is still a considerably large gap between the actual rights and the legitimate rights enjoyed by women in the country. It should be realized that women's emancipation is a long historic process. It is not only influenced by the level of material production, but also affected by the level of spiritual civilization. Due to various reasons in history and in reality, the task to achieve actual equality

between men and women remains extremely arduous, although they are legally equal. Right now, Chinese women's legal rights are still not well protected. The situation is mainly manifested as follows:

The proportion of women participating in administration of state affairs is relatively small. There is a shortage of women cadres at the grass-roots level. This situation does not conform to the proportion of women in the total population and the degree of their participation in economic and social development.

The women's educational level is not so high, and their scientific, technical and cultural standards are low.

In some remote poverty-stricken areas and parts of minority nationality regions, the female illiteracy rate is comparatively higher. The situation whereby school-age girls are deprived of education, and forced to discontinue their studies remains serious.

When enterprises change their methods of operation, more women lose their jobs. Some of them face difficulties in finding new jobs.

In hiring workers, enrolling students and assigning residential houses, there are phenomena of inequality between men and women in some units.

The task of labor protection for women employees is not well implemented in a considerably large number of Chinese-foreign joint ventures and cooperatives and wholly foreign-funded enterprises, township enterprises, and private enterprises.

In some areas, there still exist criminal activities of kidnapping and selling women and children and the ugly social phenomena of prostitution and sex offenses. Activities in printing and peddling pornographic materials and illegally publishing books and journals abound. In journals and books, there are descriptions which defame women.

Female infants are often abandoned. The sex of newly born infants in some localities is often out of proportion. Problems of housing assignments for divorced women are not properly solved.

In rural areas, some married women in rural areas have not been given any land to grow grain for the farmers' own consumption, fixed-output-quota farmland, and land for building their houses.

All these have made us soberly realize that in the preliminary stage of socialism, infringement on women's rights and interests will continue to exist in various forms. It will be a long-term and arduous task to struggle against all kinds of activities in encroaching upon

women's rights and interests and turn equality in legal form into equality in real life.

### Military & Public Security

**PRC: PLA Generals Study Deng Xiaoping Works**  
*OW1806064696 Beijing XINHUA Domestic Service in Chinese 1357 GMT 12 Jun 96*

["Newsletter:" by XINHUA reporters Jia Yong (6328 3057) and Liu Jianxin (0491 1696 2450); and JIEFANGJUN BAO special reporter Jing Shuzhan (2529 2118 1455): "Leading Cadres Must Attach Importance to Politics — Sidelights on All-Army's High-ranking Cadres' Rotating Training Class on the 'Selected Works of Deng Xiaoping'"]

[FBIS Translated Text] Beijing, 12 Jun (XINHUA) — Faced with the challenges of the new century and new opportunities, how can we always maintain a firm and correct political direction and stand to assure that our army will never change and that our undertakings will be continued for a thousand years? This is a major political task laid before the leading cadres, particularly high-ranking cadres, of our party and army.

With the approval of the Central Military Commission [CMC], 47 generals from the army and armed police force recently joined leaders of the National Defense University to study Volumes 1, 2, and 3 of the "Selected Works of Deng Xiaoping" and Comrade Jiang Zemin's important exposition that "leading cadres must attach importance to politics" and to unify thoughts, seek answers, enhance the sense of responsibility and the sense of duty.

#### I

Attaching importance to politics is an important principle in Marxism as well as a fine tradition of our party and army. As the chief architect of China's reform, opening up, and army modernization, Comrade Deng Xiaoping cautioned the whole party with great foresight as early as when the party and country shifted the emphasis of their tasks: we must avoid burying ourselves in daily economic work to the point of neglecting ideological and political work.

As to how the People's Liberation Army [PLA], a military organization carrying out revolutionary and political tasks, can attach importance to politics under new historical conditions, Comrade Xiaoping has forwarded a higher standard.

The generals have not forgotten that when entering the new era of reform, opening up, and modernization and in the process of leading the whole army in formulating objectives, tasks, policies, and principles for building

a modern and regular revolutionary army, Comrade Xiaoping has always given top priority to revolutionary cause. Further, he considered "political qualification," particularly the political direction and political stand of leading cadres at all levels an extremely important issue in army building. He asked that the army "work in consideration of the overall situation;" "follow directives from the central authorities at anytime;" and "submit to orders and commands." He repeatedly stressed: It is necessary to strengthen the development of the army's party organizations and uphold the party's absolute leadership over the army. We must carry forward the tradition of the veteran Red Army and preserve the PLA's true political qualities. It is necessary to improve and strengthen ideological and political work and strive to make the army a model in implementing the party's line, principles, and policies.

The generals cited facts to show that it is exactly because of the guidance of Comrade Xiaoping's important ideologies that the army has withstood various stringent tests in 17 years of reform and opening up to make marked development and progress in various respects.

Generals Fu Bingyue, Xu Chengyun, Yao Shuanglong, and Pang Weiqiang pointed out: The important thing is that under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, our army has truly found an effective channel for strengthening revolutionary tasks and bringing into play its strong political edge under new historical conditions. They held that Comrade Xiaoping's important ideologies bear profound historical significance in assuring that our party and our army will never change. In addition, they are vital, practical guidance for strengthening the training in party spirit as well as for enhancing the sense of responsibility and capability of leading cadres at all levels to differentiate politically.

#### II

Following the proposal by the central authorities to comprehensively raise the political quality of cadres at all levels, as outlined in the cross-century magnificent development blueprint, it is even more urgent to provide strong political support to make this blueprint a reality. Because of this, Comrade Jiang Zemin has stressed that leading cadres, particularly high-ranking cadres, must attach importance to politics, political direction, political stand, political discipline, sense of political responsibility, political sharpness, and capability to differentiate politically. He specifically said: "It is vital for the army to attach importance to politics and high-ranking military cadres must soberly carry a great responsibility in this aspect."

The generals felt that in view of the complex international and domestic environment, they deeply understood President Jiang's critical and earnest remarks, which are of great significance to raising the leading cadres' capability in recognizing right and wrong, judging situations, and assuming overall control as well as enhancing their sense of responsibility and sense of duty.

National Defense University Commandant Xing Shizhong; Tian Shugen, director of the Shenyang Military Region's Political Department; and General Yu Chenghai, deputy chief of staff of the Beijing Military Region, pointed out: A strong army and solid national defense has always been a powerful backing for reform, opening up, and modernization as well as reliable protection for state power and the people's security. Our army shoulders a heavy historical responsibility of ensuring security for successful accomplishment of the magnificent objectives of reform and development. Without a correct and firm political direction, it is impossible to maintain the fundamental character as "an army of the party, people, and socialist country." Naturally, it is also impossible to achieve the sacred task handed down by the party and people. They held that high-ranking military cadres must not only take the lead in attaching importance to politics, but must also educate and guide the vast number of officers and men to view and study problems from a high plane so that they are politically qualified.

Looking panoramically at the international situation at the turn of the century, generals Ji Shengde, Deng Hong, and Wang Shouye felt that although the Cold War has ended, the world is not peaceful. Only when studying problems from the political point of view can we have an insight into the fast changing international situation, correctly understand the world situation and development trends, identify and reject plots by hostile forces to "westernize and divide" our country, and always take the initiative in international struggle and economic competition.

Generals Zhang Cuiju, Qiu Jinkai, Ding Yueshou, and Jia Fukun pointed out: The most fundamental reason for our army to outstandingly accomplish various tasks handed down by the party and people is that it has always conscientiously safeguarded the authority of the party Central Committee and resolutely followed the commands of the party and the CMC. The generals held that faced with new situations and new tasks at the turn of the century, high-ranking cadres must implement to the letter, policies, orders, and directives of the party Central Committee and the CMC with Comrade Jiang Zemin as the core to ensure smooth implementation of government and military orders. Further, they must

practically ensure the party's absolute leadership over the army and maintain a high level of unity with the party Central Committee in ideology, politics, and action at anytime and under whatever conditions.

### III

The generals understood deeply that while implementing the task of raising the political quality of leading cadres, "it is possible to achieve political strength only through a sober understanding of theories."

Wang Maorun and Hou Shudong, respective political commissar and deputy commandant of the National Defense University, said: It has been proven in our country's reform and opening up and our army's modernization that the theory of building socialism with Chinese characteristics is modern China's Marxism. In recent years, the CMC and the General Political Department have successively authorized the university to hold five rotating training classes on the "Selected Works of Deng Xiaoping" for leading cadres at and above army level. The classes played a fairly big role in raising the political and theoretical level of leading army cadres. They proposed to efficiently continue these measures and strive to promote the task of equipping the army with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics to better guide the thoughts and action of the vast number of officers and men.

The capability to panoramically view, understand, and conscientiously submit to the overall situation is an important sign for gauging whether a leading cadre possesses political quality. Generals Xiao Zhentang, Fan Changlong, and Chen Tianlin said: Currently, the fundamental policy of the central authorities has been determined and the objectives of the struggle are clear. President Jiang Zemin has repeatedly stressed that the most important thing is that comrades of the army must vigorously implement various tasks. As high-ranking military cadres, we should strive to emulate the revolutionary style of Deng Xiaoping and other veteran revolutionaries in their adeptness in observing problems; raise our capability to assume control of the overall situation; and conscientiously incorporate the work of our own units and departments into the unified plan of the entire party, country, and CMC. In addition, we must truly promote these efforts among the officers and men and lead them to safeguard and serve the overall task with a high degree of political responsibility.

The generals pointed out that the last few years of this century are a crucial period in our country's economic and social development and army modernization. In the process of accelerating the socialist market economic

system, strengthening the transformation of the leading cadres' world outlook and ability to conscientiously reject the decadent ideology and culture of capitalism is not only an important part of "attaching importance to politics," but also an important assurance for victories in our undertakings.

After summing up both the positive and negative experiences, the generals held that to transform the world outlook under the new historical era it is necessary to resolve problems in the following five areas: ideal and belief; accountability and authority; attitude toward money; maintaining the true political character of arduous struggle; and indifference to fame and wealth. One of the effective ways for an ordinary soldier and party member to solve these problems is to participate in party activities in strict accordance with party regulations and conscientiously accept the people's supervision. The generals said that it is necessary to profoundly understand the guidelines of Comrade Jiang Zemin's important speech at the Fifth Plenary Session of the 14th CPC Central Committee; apply Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as a guide; earnestly rectify ideological style; firmly remember our army's objective; take the lead in practicing honesty and self-discipline; enhance the awareness of the need to serve the public; and emulate Kong Fansen, Li Runwu, and Li Guoan, who participated in the revolution for the people, served the people with authority, and brought benefits to the people throughout their lifetime, in addition to serving as an example in attaching importance to study, politics, and healthy trends.

**PRC: CMC General Inspects Army-Run Enterprises in Hubei's Wuhan**

SK1906110396 Wuhan HUBEI RIBAO in Chinese  
28 May 96 p 1

[Report by special reporter Xia Sihai (1115 0934 3189)]

[FBIS Translated Text] "It is not realistic to ignore politics while engaging in business. Army-run enterprises should attach prime importance to political construction, promote the fine traditions of the army, and safeguard the image of army-run enterprises." This was stressed by General Wang Ke, member of the Central Military Commission [CMC] and director of the General Logistics Department, when he inspected enterprises of the General Logistics Department stationed in Wuhan.

On 23 May, General Wang Ke and his entourage made a special trip to enterprises stationed in Wuhan to conduct an investigation and learn about their situations, and to listen to work briefings given by Senior Colonel Wu Hangxiang, director of the Management Bureau of the

enterprises of the General Logistics Departments, who is stationed in Wuhan. He was very pleased to hear that in recent years this bureau and its subordinate enterprises always attended to army-run enterprises, served as pace-setters in building politics, pushed economic construction forward, and achieved fruitful social and economic results. He said: The production and management cadres of army units at all levels should always uphold the party's line, principles, and policies; should resolutely act in line with the instructions of the Military Commission and General Logistics Department; and should do business in line with the law and in a civilized manner.

Director Wang Ke called on army-run enterprises to pay attention to economic efficiency, stress quality, and deepen reform while paying attention to political construction. It is necessary to act in line with the demands of realizing the "two fundamental changes," to promote intensive operations and centralized management, and to develop in the direction of conglomeration. All enterprises should develop competitive products by relying on scientific progress, and should follow the path of developing high technology, high quality, and high efficiency as well as upgrading technology and improving management. During his stay in Wuhan, Director Wang Ke also inspected rear-area bases in Wuhan, the military economy institute, and other units stationed in Wuhan.

**PRC: Chen Yi's Selected Works on Military Affairs Published**

OW2006105896 Beijing XINHUA Domestic Service  
in Chinese 0705 GMT 17 Jun 96

[FBIS Translated Text] Beijing, 17 Jun (XINHUA) — "Selected Military Writings of Chen Yi" has been published and circulated by the People's Liberation Army Publishing House.

The book includes Marshal Chen Yi's 66 military writings from 1929 to 1959. Totalling nearly 500,000 characters, they were selected from hundreds of his theses, speeches, telegrams, and letters during various historical periods, and a number of them were published for the first time. Some of them are notes on what he has learned from thorough individual discussions between himself and Mao Zedong and are, therefore, very valuable.

**\*PRC: Chi Haotian on Jiang Zemin's Views on National Defense, Economic Development**

96CM0338A Beijing QIUSHI [SEEKING TRUTH]  
in Chinese 16 Apr 96 No 8, pp 8-14

[Article by Chi Haotian, defense minister of the PRC: "Taking the Road of National Defense Modernization

**Which Conforms to China's National Conditions and Reflects the Characteristics of the Times—My Understanding Acquired From the Study of Comrade Jiang Zemin's Expositions on the Relationship Between the Building of National Defense and Economic Development")**

[FBIS Translated Text] At the closing ceremony of the Fifth Plenary Session of the 14th CPC Central Committee, Comrade Jiang Zemin brilliantly expounded, in light of Comrade Deng Xiaoping's theory of building socialism with distinctive Chinese characteristics and the party's basic line, the twelve major relationships in China's socialist modernization drive, which is a matter of overall importance. His speech is a momentous document that will guide China's reform, opening up, and socialist modernization drive toward a new and greater victory. His expositions on the relationship between the building of national defense and the economic construction have profoundly revealed the development law governing the building of national defense in the new period, and are of far-reaching significance in guiding China's endeavor of taking the road of national defense modernization, which conforms to the national conditions and reflects the characteristics of the times.

#### **I. Profoundly Understanding the Epochal Significance and Essence of Comrade Jiang Zemin's Expositions on the Relationship Between the Building of National Defense and Economic Construction**

##### **A. Comrade Jiang Zemin's Expositions Are Important Theoretical Achievements Obtained After Long-Term Exploration and Through the Test and Development of New Practice of Our Party.**

In the early years after the founding of the people's republic, China's central tasks were to heal the wounds inflicted by the war, restore and develop the national economy, and consolidate the newborn state power. To suit the needs of this situation, the Central Committee and Comrade Mao Zedong proposed to build a contingent of modern national defense forces, reduce the number of troops, readjust and reform the structure and establishment of the army, reform and perfect various military systems, found new arms and services, reinforce regular training and the building of military colleges, improve weaponry, and set up a defense-related scientific and technological industrial system, so that remarkable achievements have been scored in the building of national defense. In 1956, Comrade Mao Zedong expounded the 10 major relationships between the socialist revolution and construction. Touching on the relationship between the building of national defense and economic construction, he emphasized that "national de-

fense is indispensable" and must be reinforced on one hand and, on the other, that "priority should be given to the reinforcement of economic construction," and "for which a reliable method is to reduce the military and administrative spending to an appropriate proportion and to increase the costs and expenses of economic construction. Only by expediting economic development can the building of national defense make greater progress." (Footnote 1)("Selected Works of Mao Zedong" Vol 2, pp 724-725) These expositions scientifically answered the dialectical relationship between China's economic construction and the building of national defense in peacetime. After that, restricted by various factors, the whole set of Comrade Mao Zedong's thinking on the building of national defense in peacetime was unable to be put into practice consistently from beginning to end.

After the Third Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping made a scientific judgment on the international situation, thinking that peace and development are the theme of the contemporary world, and that we may win a peaceful environment in a relatively long period of time to concentrate our energies on boosting the national economy. In light of this basic estimation, Comrade Deng Xiaoping put forward a whole set of theoretical principles on the building of national defense in the new period and, under his leadership, adopted a series of practical measures, which included: Effecting the strategic change in the guiding ideology of the building of national defense; defining the general objective of building a modern and regularized revolutionary army; stressing the needs of subordinating army building to the overall situation of economic construction; streamlining the structure, reducing one million troops, enhancing the quality of the army, and combining the crack standing army with the powerful reserve forces; intensifying defense-related scientific research and raising the modernization level of weaponry; placing the education and training of soldiers in the strategic position and augmenting the building of military universities and colleges to bring up dual-purpose personnel for the army and localities; reforming the leadership structure in national defense industry, adjusting its scale and structure, and achieving the combination of military with civilian and wartime with peacetime production; and so on. These important principles and measures proposed by Comrade Deng Xiaoping have made outstanding contributions to guiding us in the correct understanding and handling of the relationship between the building of national defense and economic construction in the new period, so that China's national defense can get onto the right track of coordinated development with the economic construction while subordinating itself to the overall situation of the economic construction.

At present, a basic characteristic of the new situation that we are facing is that there are opportunities as well as challenges. The world is moving toward a multipolar pattern. Many countries successively take contending for economic and technological superiority and enhancing comprehensive national strength as their development strategies and try by every possible means to gain the strategic initiative in the 21st century. The technological revolution in the world is advancing with each passing day and increasingly producing a profound influence on the military field. The modes and focuses of military struggles are making new and thoroughgoing changes. At home, reform, opening up, and the modernization drive are in a crucial stage, and new conditions and new problems are constantly emerging. This calls for us to adhere to the theory of building socialism with distinctive Chinese characteristics and the party's basic line even more consciously and to continue enriching and developing Marxism. Comrade Jiang Zemin has inherited the essential thoughts of Comrade Mao Zedong and Comrade Deng Xiaoping in his expositions on the relationship between the building of national defense and economic construction and scientifically summed up the past experience of national defense building, particularly the experience gained since reform and opening up, thus pointing out the direction of advance for the national defense modernization in China.

**B. The Building of National Defense and the Army Must Rely on Economic Construction and Be Subordinate to the Overall Situation of Economic Construction.**

Comrade Jiang Zemin pointed out: "The building of national defense and the army must rely on economic construction and be subordinate to the overall situation of economic construction. Only after the national economy is developed can it provide necessary material and technological foundation for national defense modernization. The historical materialists maintain that economic strength is the most vital of all elements constituting the comprehensive national strength. The productive activities of material resources are the foundation and precondition for all social activities. Mankind must, first and foremost, resolve the problem of material life. Otherwise, it is impossible to engage in any activity including the military activity. The building of national defense is a complex systems engineering that involves various areas and cannot be separated from the social and economic conditions of the time. Fundamentally speaking, the economic condition determines the scale and level of national defense building and also the armed forces' forms of establishment and modes of operations, which has been proved by the history of military development at all times and in all countries.

China's overall level of productive forces is comparatively low at present, so vigorously developing the social productive forces, concentrating our efforts on boosting economic construction, and maintaining the building of national defense on an appropriate scale are the fundamental preconditions for safeguarding the people's material and cultural interests and the state's security. Comrade Deng Xiaoping particularly stressed: "Now, the entire nation, the party, the government, the army, and the people alike, should be subordinate to the overall situation of economic construction with heart and soul, and everyone should have this overall situation in mind. On this issue, the army has its own responsibility and must closely coordinate with this, rather than hindering it. What is more, action must be taken under this overall situation." "We must develop our national economy in every possible way. If the economy is developed, things will be easier for us. When the overall situation has improved, the national strength will be substantially augmented. On this basis, we should engage in developing some atomic bombs and missiles, and updating some equipments, so that everything, either on the air, the sea, or the land, will be better, and things will be easier for us by that time." (Footnote 2)(*"Selected Works of Deng Xiaoping,"* Vol 3, pp 99-100) Proceeding from the army's nature and purpose, Comrade Deng Xiaoping stressed the needs of regarding subordination to the country's overall situation of economic construction as the army's responsibility, which is of special vital significance to the correct understanding and handling of the relationship between the building of national defense and economic construction in the new period. Since reform and opening up, guided by this thinking, the building of the national defense and of the army have been consciously subordinate to the overall situation of the economic construction, and great efforts have been made to lighten the state's burdens and enthusiastically support the state's economic construction, so that very good social effect has been produced.

**C. Modernization of National Defense Is a Major Component Part of China's Drive for Socialist Modernization, and Should Attain Coordinated Development with Economic Construction.**

At the time when we are advancing toward the 21st century, in what position should China's building of national defense be placed? Comrade Jiang Zemin clearly pointed out: "The modernization of national defense is a major component part of China's socialist modernization drive, and the enhancement of the building of national defense is the basic guarantee for the state security and economic development." "The state should support and strengthen the building of national defense according to necessity and possibility." This thesis is

absolutely correct. Today, although the Cold War has ended, and China's security environment has been considerably improved, yet the world is far from being tranquil, and we cannot sleep peacefully without anxiety. We must note that in the course of establishing a new international political and economic order, there are all sorts of contradictions and conflicts everywhere, various factors that have led to the tense world situation have not completely disappeared, the sources of war have not been removed, and local wars are still a real threat. Some people think that the building of national defense is no longer important in peacetime now. This is an erroneous and harmful idea. A longer period of relatively peaceful environment will provide us with a favorable opportunity to reinforce our economic construction and the building of national defense, so the building of national defense should not be neglected under any circumstances. The modernization of national defense is one of the contents of the four modernizations in China. Where there is precaution, peril can be averted. Lasting peace can only be maintained if the armed forces are always on the alert. This is the dialectics of war and peace. We should be prepared for danger in times of peace. While concentrating our efforts on the economic construction, we should also exert ourselves to intensify the building of national defense.

The building of national defense and economic construction are mutually complementary. Without the foundation of a considerable economic strength, it is impossible to carry on the building of national defense, and without a stable internal and external environment, it is impossible to develop the economy. If a country or a nation wants to be independent and self-reliant, to carry on economic construction and social progress peacefully, and to have a foothold on the intense international competition, it must have the backing of its national defense. At present, China's international standing is rising with each passing day, which is the outcome of its comprehensive development in politics, economics, science and technology, and diplomacy, and also the result benefiting from the augmentation of defense strength. The building of national defense has a long-standing and continual developmental process with its own special features and laws. It must keep abreast of economic construction and advance along with the economic development. It cannot exceed the limitation of tolerance of the economic construction, nor can it be laid aside until the economy has totally prospered. We need a certain input in the building of national defense, because such input is not only necessary for the state's security, but it will spur on the development of some scientific and technological areas and production departments. Being a university, the PLA [People's Liberation Army] has trained and provided large numbers

of talent of various kinds for society, accelerated the enhancement of people's quality, and played a role as a shock brigade in supporting the economic construction, in doing rescue and relief work, and in safeguarding the people's lives and properties. Therefore, the building of national defense has carried a great weight in the competition of the comprehensive national strength with the economy and science and technology as major indications.

**D. China's National Defense Is of a Defensive Character and Will Not Constitute a Threat to Any Country.**

Comrade Jiang Zemin pointed out: "Our enhancement of the national defense is solely aimed at protecting ourselves and, at the same time, augmenting the strength to safeguard world peace." This is China's basic defense policy. Now, there is a view abroad thinking that China's development and growth will become a so-called "threat" to other countries. Some people even openly advocate "containing China." The creation of such a "theory of China's threat" is completely groundless and ill-intentioned. The key to judging whether or not a country has constituted threats to world peace and stability lies in what foreign policies it pursues. Since the birth of New China, it has all along initiated and adhered to the Five Principles of Peaceful Coexistence, and unswervingly practiced independent foreign policy of peace. While resolutely safeguarding the independence, unification, and sovereignty of our country, we have extensively forged and developed friendly and cooperative relations with various countries in the world, and positively developed good-neighborly relations with the neighboring countries. We favor equality among all countries, either big or small, oppose hegemony and power politics, advocate the settlement of international disputes through peaceful means, and oppose the use of force or threat of using force in international relationships. For many years, under the precondition of maintaining necessary defensive forces, China has, according to the changes of the situation, substantially reduced the number of troops, maintained low-level military spending, strictly controlled the transfers of sensitive materials, technologies, and military equipment, and comprehensively practiced a series of disarmament measures including the transference of defense-related scientific and technological industry from military to civilian use, and so on. As a developing country and a permanent member of the UN Security Council, China also put forth a number of practical and rational proposals and made its due contributions to motivating the process of international arms control and disarmament. Facts have proven that China is a major force in safeguarding

world peace and promoting the common development of mankind.

China's national defense is of a defensive character, and its basic objectives are to solidify the defensive capacity, resist foreign invasion, and safeguard the unification and security of the country. China never seeks hegemony in the world or in any region, and never stations troops or sets up military bases in foreign countries. China's building of the national defense is not directed against any country and does not constitute any threat to other countries. China has placed the rights of subsistence and development in the predominant position, and always maintained its military spending at a comparatively low level. In 1994, China's military spending was only \$6.39 billion, which was equivalent to just 2.3 percent of the U.S. military spending, and 18.3 percent of the British, 18.6 percent of the French, and 13.9 percent of the Japanese military spending. The proportion of China's defense expenses in the GDP was only 1.3 percent, that of the United States was 4.2 percent, and those of Britain and France were 3.6 percent and 3.18 percent respectively. If calculated by the population, China's per capita defense spending in 1994 was only \$5.36, while that of Japan and the United States was \$336 and \$1,412 respectively. In 1995, China's defense spending was 65 billion yuan only, and its actual level was even lower than in 1994 allowing for the factors of price rises, the increase in per capita expenditures, and so on. In future, if for no other conditions that seriously threaten China's state sovereignty and security, China's defense spending will not increase by a big margin.

## **II. Enhancing the Quality Building of the Army, and Taking the Road of Maintaining Crack Troops With Distinctive Chinese Characteristics**

Comrade Jiang Zemin pointed out: "We should practice the strategic principle of active defense in the building of national defense and take the road of fewer and better troops which is characteristic of China." In accordance with this idea, we must build a contingent of crack standing troops that conform to the national conditions of China, vigorously enhance the quality building of the army, intensify the army on the strength of scientific and technological advances, and repeatedly raise the army's modernization level.

Reducing quantity and enhancing quality is the basic trend of military development in the contemporary world. To suit the development and changes of the situation, many countries are readjusting their military strategies, trying hard to seize the current favorable opportunity of relative peace, reducing their scale of troops, and seeking the superiority in army building in terms of quality. The rapid development of modern

science and technology, the high technology in particular, and their application in the military field have set still higher demands on the quality of army building, and have also made the reduction of the army scale possible. The building of an army, which changes from the type stressing quantity and scale to the type stressing quality and efficiency and from labor-intensive to science-and technology-intensive type, is an inexorable trend. In recent years, in order to enhance the quality in army building, various countries have adopted a series of important measures, such as giving priority to the development of high-tech weaponry, expediting the pace of improving and updating equipment, and through increasing the high-tech contents of weaponry, promoting the optimization of the army as a whole and enhancing its combat capabilities. In addition, they emphasize the flexible and combined combat effectiveness of the troops; attach special importance to building the troops capable of rapid responses; pay attention to heightening the troops' level in electronics war, information war, and automatic command; vigorously intensify the building of the command, control, communications, and intelligence systems; readjust structure and establishment; optimize organizational structure; take the building of technology-intensive arms and services as the key link of army building; intensify troop training; heed the training of qualified personnel; improve the quality of servicemen; increase their capabilities in controlling modern wars; and so on. All these have provided us with good experiences for reference.

In a bid to enhance the quality building of the army and take the road of maintaining fewer and better troops with distinctive Chinese characteristics, it is necessary to proceed from the objective realities of the national conditions and military conditions in China. In building a quality army, we must abide by the common law governing the army building and development and carefully assimilate the experiences in army building gained by foreign countries on one hand, and base ourselves on realities to define our own quality standards and take our own road on the other. First, China is a socialist country and our army is the people's army under the leadership of the party. For the purpose of serving the people wholeheartedly, we have practiced the military strategy of active defense. This has determined the direction and objectives of our army building, which is essentially different from those of the capitalist countries. Second, China has taken economic construction as its central task and practiced the reform and opening policies, so the army building must be carried out under this overall situation. Since reform and opening up, monumental achievements have been attained in economic construction. However, because of the large population and weak foundation, China's economic and scientific

and technological strengths lag far behind the developed countries. There are quite a few difficulties in the state finance, so we must not be overanxious for quick results in the development of weaponry. Under the condition that our modernization level is still low, we must maintain a certain number and scale of troops, which is of vital importance to safeguarding the state security. Third, as China is a large country with its own independent national defense, it must achieve the defense modernization on the basis of its own strength, build up its own defense-related scientific and technological industrial system, and follow its own developmental road of independence and self-reliance with the initiative in its own hands. Fourth, China has a vast expanse of territory and boasts an immense area of sea as well as land. Hence, its natural geographic conditions are complicated. This has determined the diversified character of the army organizations and the development of weaponry. Fifth, our army has its own glorious traditions. It is of special momentous significance to inheriting and developing these glorious traditions and intensifying our army building. Therefore, it is necessary to properly handle the dialectical relationship between inheritance and innovation in the quality building of the army so as to meet the requirements for modern warfare.

To enhance the army building in quality and take the road of maintaining a contingent of crack troops with distinctive Chinese characteristics under the new historical conditions, we must conscientiously put into effect Mao Zedong's military thought and Deng Xiaoping's thinking on army building in the new period, and to carry out the general requirement of "being qualified politically, highly proficient militarily, fine in style, strict in discipline, and adequate in maintenance and supplies" put forth by Comrade Jiang Zemin. At present, it is necessary to have a good grasp of the following issues in the quality building of the army: 1) We should consistently persist in placing ideological and political building in the primary position and follow the correct direction of the army building. Stressing politics is the essence of the army's fine tradition and the soul of army building. Intensifying ideological and political building is the foundation for maintaining the nature and purpose of the people's army and for enhancing troops' combat effectiveness. To be politically qualified is of primary importance in the quality building of the army. We must adhere to the party's absolute leadership over the army from beginning to end and firmly safeguard the authority of the Central Committee and the Central Military Commission with Comrade Jiang Zemin at the core. We must arm the entire army with Comrade Deng Xiaoping's theory of building socialism with distinctive Chinese characteristics and his thinking of

army building in the new period and unflinchingly stick to the party's basic line. In light of the ideological realities of officers and men, we should thoroughly and seriously conduct the education regarding patriotic dedication, revolutionary outlook on life, the spirit of respecting cadres and cherishing soldiers, and hard work in defiance of difficulties, so as to foster correct world outlook and outlook on life and to enhance their political steadfastness and moral purity. 2) We should establish the ideology of invigorating the army on the strength of scientific and technological advances and accelerate the scientific research and development of weaponry. The Central Committee's strategic ideology of rejuvenating the country through the application of science and technology points out the road of prosperity and the orientation of quality building of our army. In army building, we should sharpen the scientific and technological awareness, follow the road of invigorating the army on the strength of scientific and technological advances, expedite the scientific research related to national defense and the development of weaponry, and work hard to narrow the gap between our development level and the advanced level in the world. 3) We should base ourselves on realities and have our eyes on the future to train and bring up a large number of highly qualified personnel. Well-trained personnel are crucial to army modernization. The decisive element of winning or losing a war is still men rather than things, no matter how the high-tech weaponry has developed. The training of qualified personnel is consistently a basic engineering for the comprehensive increase of troops' combat effectiveness. Hence, we should adopt vigorous measures to quicken the pace of personnel training so as to improve the quality of various kinds of talent. This is an extremely important mission facing the quality building of the army. Intensification of military training is a major way of increasing the combat effectiveness of troops in peacetime. We must conscientiously place education and training on a strategic position and, proceeding from the requirements of actual combat, conduct arduous and strict training. As military universities and colleges are essential bases for training personnel, we should pay special attention to the building of these institutions to enhance the quality of personnel training. In training and teaching, focus should be placed on cadres and, through diligent study of knowledge relating to modern warfare and high technology, heighten the organizing and commanding capabilities as well as scientific and cultural level of cadres of various kinds and at various levels. 4) We should stress the key points and optimize organizations to improve the combat capabilities of the army as a whole. In light of the requirements for future wars, we should set up structures and establishments of the army with distinctive Chinese characteristics, which is

a significant aspect of the quality building of the army. We should put into effect the military strategic principle in the new period in founding our structures and establishments, so that they are adapted to China's national conditions, national strengths, and the missions of the army and fully reflect the special features of the people's war. At present, we should further reduce the scale, readjust structures, organize troops scientifically, incrementally enhance the troops' capabilities in rapid responses, coordinated operations, and comprehensive maintenance and supplies. 5) We should step up military scientific research and elevate the military theoretical and strategic levels. To this end, we should emancipate our minds and courageously explore, inherit, and develop Mao Zedong Military Thought to bring about a flourishing situation in the theoretical research of military sciences. At present, we should intensify research of future warfare as well as basic theories. In particular, we should pay serious attention to studying the characteristics and laws governing the people's war under the high-tech conditions, and conscientiously probe into the major practical issues on China's defense modernization and the modernization of the army, so as to provide theoretical guidance to the quality building of the army and to future warfare.

### **III. Upholding the Integration of Peacetime With Wartime and Military With Civilian Production, and Relying on the People's Strength for the Modernization of National Defense**

Comrade Jiang Zemin pointed out: "We should uphold the integration of peacetime with wartime and military with civilian production in line with the requirements for the development of a socialist market economy, establish and perfect the operating mechanisms in the national defense industry, improve the compatibility between military and civilian purposes, and increase the capabilities of converting peacetime to wartime production." This scientific exposition mirrors the Marxist view on the war outlook and reflects the essential feature of the people's national defense. This is the application and development of Mao Zedong Thought in the people's warfare under the new historical condition, which is the guiding principle not only for the national defense industry, but also for the building of national defense as a whole. Only by adhering to this principle can the organic integration and coordinated development of the building of national defense and economic construction be achieved, and can the actual strength of national defense be repeatedly augmented along with the economic development.

### **A. We Should Intensify Education on National Defense and Sharpen the Defense Awareness Among the Entire People.**

National defense awareness is a kind of invisible force and an important moral element for the survival and growth of a nation. Besides, it is an ideological foundation for upholding the integration of peacetime with wartime and military with civilian production, and for doing a good job in the building of national defense. History has told us that during wartime when people are confronted with a powerful enemy, it is liable to arouse their defense awareness and militarism. But, in a peaceful environment, their defense awareness is usually apt to become vague, and they are likely to forget about war for the feeling of safety. Since China entered its relative peacetime period, some people have slackened their vigilance to a certain extent, while others are narrow-minded in thinking that defense building is a matter concerning the army alone. There are still some who failed to correctly understand the dialectical relationship between war and peace, seeing only the aspect of relative peace but ignoring the existence of the root cause of war. Still others feel that the situation is relaxed, the world is trouble free, so it is unnecessary to engage in the building of national defense. Such muddled ideas have seriously obstructed the national defense building, and produced an unfavorable impact on social progress and the rejuvenation of the country. Therefore, it is necessary to intensify the concept on national defense and the awareness of anxiety among the entire people, and to arouse the fervor of the broad masses to bring about economic prosperity and powerful national defense of the country.

In order to intensify the defense awareness among the entire people, it is necessary to unrelentingly conduct education on national defense throughout society and nationwide so as to energetically instill the above ideas into people's minds. We should conscientiously carry on education about the Marxist outlook on war, so that the vast number of people will constantly maintain sharp vigilance against the threats of hegemony and power politics, the schemes of international hostile forces to "Westernize" and "break up" China, and the acts of "Taiwan Independence" forces to split up the motherland. A country's sovereignty can only be defended if its people are patriotic. The defense-related education should take patriotism as a key content, focusing on the education of Chinese modern history. People must firmly bear in mind the national humiliation in the past when the country was defenseless and frequently trampled upon by powerful imperialists, thereby always preparing for danger in times of peace and working hard for the prosperity of the country. Adolescents are the future and

hope of the country, on whom the defense education should be focused. They should be trained into a new generation with a strong sense of the national defense and a conscious spirit of dedication. As a part and parcel of the country's educational undertaking and spiritual civilization, education on national defense is a long-term strategic mission of the entire party, the army, and the people, and should be integrated into the overall planning of economic construction and social development. We should reinforce leadership, unify organization, and mobilize forces from various social sectors to form an entirety. Through energetic defense education, a fine social atmosphere in which everybody loves, cares for, and supports national defense will take shape, and the close relations between the army and the people who share a common fate and cleave to each other through good times and bad will be consolidated and developed, so as to genuinely build up an impregnable spiritual Great Wall of the Chinese nation.

#### **B. Doing a Good Job of the Mobilization Work of National Defense and Enhancing the Capabilities of Transforming Peacetime to Wartime Production**

Mobilization of national defense is a major issue having a bearing on the safety or danger of a country. As a transforming and controlling mechanism of the state behaviors, it is not only a major component part of the comprehensive national strength, but also a necessary condition of transforming the potential of national defense into combat forces. There are fine traditions in China's mobilization work. During the revolutionary war period, we extensively mobilized and relied on the masses to fight the enemy, which ensured the endless supplies of soldiers and materials and played a pivotal role in winning the victory in the revolutionary war. During the period of socialist construction, the party and the state took defense mobilization work very seriously. In the early 1950's, we began to set up the system of national defense mobilization. In particular, since the Third Plenary Session of the 11th CPC Central Committee, under the leadership of the Central Committee, remarkable achievements have been attained in various tasks of defense mobilization, in light of the principle of integrating peacetime with wartime and military with civilian production and letting soldiers work as civilians in time of peace and act as fighters in case of wars. We have intensified the building of militia and reserve units, so that we have built up powerful reserve forces. In economic construction, we have adhered to the principle of making military work compatible with civilian work and combining peacetime production with wartime production, which has laid down a solid foundation for wartime mobilization. In air defense, we have paid serious attention to the building of infrastructure facilities and made

organizational plans to guard against air attacks, thereby forming a relatively perfect people's air defense system. Besides, in the course of economic construction, new headway has been made in war preparedness in the area of communications. The enhancement of defense mobilization work has exercised a vital role in ensuring the smooth progress of several wars of counterattack for self-defense and in augmenting the deterrent forces of national defense.

Under the new situation, we must continue conducting defense mobilization work in line with the principle of integrating peacetime with wartime and military with civilian production and letting soldiers work as civilians in time of peace and act as fighters in case of wars. We should incorporate the defense mobilization into the overall planning of national economy and social development. In the infrastructure construction of railways, highways, airports, ports, telecommunication facilities, depots, and hospitals, we should fully reflect the demands of national defense, and make defense mobilization suit the needs of establishing the socialist market economic structure, thus forming a sensitive peacetime and wartime transformation mechanism and heightening the rapidity and high efficiency of the defense mobilization work. In deepening reform of defense mobilization work, we should reinforce the building of defense mobilization organizations at various levels, develop the traditions that the party commands the armed forces, exploit the advantages of the people's war, assimilate the useful practices of foreign countries, explore the road of defense mobilization with distinctive Chinese characteristics, and repeatedly increase the defense mobilization capabilities in a planned way with focus on every step.

#### **C. Accelerating Structural Readjustment of Defense-Related Science and Technology Industry and Increasing Military-Civilian Compatibility.**

Raising the degree of military-civilian compatibility in the defense-related scientific and technological industry is a correct choice conducive to the country, the army, and the people. If we maintain a large scale of war production in relative peacetime, without doubt, it will become a heavy burden to the country's economic construction, which is detrimental to improving the people's material and cultural lives. Therefore, defense-related scientific and technological industry must join the main battlefield of economic construction and strive to create fine economic and social results. Defense-related science and technology should give consideration to civil production and accelerate the development of civil technologies. The military enterprises transferred to production of goods for civil use must pay attention to retaining the capabilities of producing military supplies.

Also, consideration should be given to the wartime requirements in the entire industrial layout of the country. Through this mode of integrating peacetime production with wartime production and making military work compatible with civilian work, we will achieve the benign cycle between defense-related scientific and technological industry and civil scientific and technological industry and the benign cycle within the defense-related scientific and technological industry, so as to increase the capabilities of survival and growth in defense-related scientific research and production.

There is a broad field and large leeway for achieving the military-civilian compatibility in the defense-related scientific and technological industry. 1) In terms of products, we should consider the prospects for civil use while developing a new military technology and have the requirement of commercialization and industrialization of the products in mind. 2) In terms of science and technology, we should positively promote the transfers from military technology to the civil economic area and from civil superior technology to the military area, and with the development of dual-purpose technology, promote the close integration of military and civilian scientific research and production at the high-tech level. 3) In terms of personnel and some facilities, we should stress the training of dual-purpose scientific and technological personnel and give play to their double role in the building of national defense and economic construction. On condition that production of military supplies is not affected, facilities and equipment of scientific research should enthusiastically serve the country's economic construction.

**D. Intensifying the Building of a Legal System Relating to National Defense and Enabling Defense Building To Get onto the Right Track of Legalization.**

The building of national defense is a state behavior and calls for the confirmation and protection by laws which reflect the state's will, so that the building of national defense can operate in an orderly manner. Since reform and opening up, China has seriously heeded the building of a legal system in national defense and has formulated and promulgated one after another a series of defense-related laws and regulations, which have provided effective legal protection to the smooth progress of economic construction. But, judging from the current condition of defense legislation, it has obviously lagged behind the requirement of defense building, especially if it is compared with the legislation progress of the country as a whole. Some laws that are most important to the building of national defense have yet to be formulated. Hence, we must expedite the pace

of defense legislation and, proceeding from the common principle, form as early as possible a defense legal system characterized by close internal association, distinctive levels, rational structures, complete categories, comprehensive contents, and strict standardization. The "Law on National Defense," which is about to be promulgated, is the master law regarding the building of national defense. It will play an extremely significant role in standardizing and regulating the relations between defense area and other areas of the country and within the defense area itself, defining the nature, position, and mission of national defense, and stipulating the rights and obligations on national defense, which will be enjoyed and shouldered by various departments of state organs, enterprises, institutions, social groups, and citizens. In addition, we should pay close attention to drawing up laws and regulations coordinated with the "Law on National Defense" to incrementally perfect the legal system relating to national defense. While accelerating the legislation of national defense, we must stick to the principle of laying equal stress on legislation and law enforcement, conscientiously seize hold of the key link of law enforcement, and adopt comprehensive measures such as education, supervision, punishment, and so on to safeguard the authority of the legal system in real earnest. We should include education on the defense legal system into the system of popularizing law education, and turn defense-related laws and regulations into conscious actions of the broad masses.

At present, we are on the historical staircase at the turn of the century. We should persist in taking Comrade Deng Xiaoping's theory of building socialism with distinctive Chinese characteristics and his thinking on army building in the new period as our guide, follow Comrade Jiang Zemin's scientific expositions, and correctly handle the relationship between the building of national defense and economic construction. While concentrating our efforts on developing the economy, we should positively push forward the modernization drive of national defense and make fresh and greater contributions to the prosperity of the country and the rejuvenation of the nation.

**PRC: Jiang Stresses Ideological Building in Army**  
HK1806070396 Beijing JIEFANGJUN BAO  
in Chinese 8 Jun 96 p 1

[Report by Kong Laiyun (1313 0171 0061) and reporter Wang Wenjie (3769 2429 2638): "When Meeting Cadres of PLA Units and Armed Police Corps in Henan, Chairman Jiang Stresses Need To Vigorously Step Up

Ideological, Political Building and Strive To Satisfactorily Carry Out All Fields of Endeavor"]

[PTS Translated Text for FBIS] Zhengzhou, 6 Jun (JIEFANGJUN BAO)—It is necessary to vigorously step up ideological and political building to preserve the true political qualities of the people's army; persist in administering the army with strict discipline and strive to satisfactorily carry out all fields of endeavor, such as training for preparedness against war and building a regularized army. This remark was made by Jiang Zemin, general secretary of the CPC Central Committee, state president, and chairman of the Central Military Commission, when he met with cadres of People's Liberation Army (PLA) units at or above the divisional level and cadres of the People's Armed Police Corps at or above the regimental level in Henan.

Jiang went to Henan on a tour of investigation from 1 to 5 June. In Anyang, Xinxiang, Jiaozuo, and Zhengzhou, he focused on investigating agriculture and rural work and inspected some state-owned enterprises and the Huang He Xiaolangdi water control project. He was very much concerned about the peasants' life. He entered peasant courtyards and held cordial conversations with villagers. He also went to the wheat fields on many occasions, meticulously inquiring about the summer harvest and summer sowing in the localities.

On 2 June Chairman Jiang received in Xinxiang some army cadres at or above the divisional level and made an important speech. On 4 June he again received in Zhengzhou some army cadres at or above the divisional level and armed police corps cadres at or above the regimental level and set forth his requirements and hopes.

Chairman Jiang said: Many of the units stationed in Henan are veteran units with a glorious historical tradition. During the war years, they campaigned all across the country, bringing forth heroes in large numbers and performing immortal deeds for the liberation cause of the motherland; in peacetime they have made outstanding contributions in training for preparedness against war and in emergency, difficult, dangerous, and heavy tasks, such as dealing with emergencies, providing disaster relief, and supporting major local projects, bringing forth many advanced units and a large number of heroes and model figures with Xu Honggang as a representative.

Chairman Jiang pointed out: It is necessary to put ideological and political construction in the first place and preserve the true political qualities of the people's army. Ideological and political construction is a unique advantage of our army. Under the new historical conditions, constant improvement of our army's political quality is

of special significance. In stepping up ideological and political construction, what is most crucial and fundamental is to ensure the party's absolute leadership over the army so that units will consciously listen to and follow the party at all times and under all circumstances. It is necessary to keep on doing a good job in the study of Marxism-Leninism-Mao Zedong Thought, especially Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, and, in conjunction with the reality in the units, thoroughly conduct "four educations," so that the vast numbers of officers and men will solidly foster a correct outlook on the world, life, and values, and strengthen their capability to resist the corrosion of decadent ideas and culture and the influence of "a gay life and debauchery." Cadres at all levels, especially leading cadres at or above the regimental level, should consciously pay attention to politics, take the interests of the whole into account, and consistently maintain political staunchness as well as ideological and moral purity.

Chairman Jiang emphasized that it is necessary to keep firmly in mind our sacred mission and vigorously step up training for preparedness against war. All army comrades should have a sense of crisis, think of danger in times of safety, and maintain necessary vigilance at all times. He called on army comrades to profoundly understand the military commission's military strategic principles for the new period, assiduously study and master high-tech knowledge, conscientiously study the distinctive features of modern warfare and the laws governing it, and comprehensively carry out all systems and regulations for preparedness against war. In training units it is necessary to proceed from the needs of actual warfare so as to improve training quality and genuinely turn units into crack troops skilled in every way.

Chairman Jiang pointed out: It is necessary to administer the army with strict discipline and constantly raise the level of building a regularized army. Administering the army with strict discipline is an idea consistently proposed by Comrades Mao Zedong and Deng Xiaoping and is an important principle for army building. How to fulfill the requirement for administering the army with strict discipline under the new situation is a subject which must be jointly solved by all our units. In administering the army with strict discipline, the key lies in whether or not cadres at all levels can exercise regularized management strictly in accordance with all rules and regulations and whether they can take the lead in studying and applying rules and regulations, start by being strict with themselves and their institutions, and set examples with their fine images. We must persist in cultivating a strict sense of organizational discipline

and a fine work style among the units and vigorously advance the building of a regularized army.

Chairman Jiang also stressed that it is necessary to consciously uphold unity inside and outside the army and constantly strengthen our unifying force. The party, the state, the nation, the people, and the army must all pay attention to unity. Provided that all of us take into account the interests of the party and the people and think of the building and good name of our army at all times, we will certainly be able to unite as one. Not only should army units unite as one, but so should officers and men, as well as armymen and civilians. If our cadres at all levels can treat soldiers as their brothers and the people as their parents, and unite all people inside and outside the army, we shall be as solid as a rock and in an unassailable position. The army should be ahead of others in paying attention to unity.

Chairman Jiang stressed: It is necessary to improve leadership style and work hard to grasp implementation. He said: I have said many times that the key to carrying out our work well lies in implementation. In grasping implementation, it is most fundamental to turn the policy decisions of the party Central Committee and the Central Military Commission and the resolve and intention of the higher authorities into concrete actions of the units. Not only should we adopt a serious, responsible, scientific, and rigorous attitude in work, but we should also have the work spirit of seeking neither fame nor gain, standing in no fear of difficulty, and keeping on chipping away. Army building is a solid task admitting no falsehood or sloppiness. Implementation does not lie in shouting slogans. We do need slogans, but form and content must be dialectically unified. If we only pay attention to form rather than content, implementation will become empty talk. Leaders at all levels should raise their understanding of whether or not work is satisfactorily carried out to the plane of whether they have a strong concept of party spirit and have a correct ideological style. It is necessary to the result of doing our work as an important yardstick for judging our own quality and practical achievements. We should make a real effort to go deep into the reality of life and do solid work in order to constantly move army building forward.

Those accompanying Chairman Jiang in inspecting the units were Zhou Ziyu, deputy director of the General Political Department; Zhang Taiheng, commander of the Jinan Military Region; persons in charge of the relevant central departments, including Zeng Qinghong, Zhang Quanjing, Zeng Peiyan, Han Zhubin, Niu Maosheng, Liu Jiang, Teng Wensheng, Chen Yuan, and Liu Yunshan; Li Changchun, secretary of the Henan Provincial CPC Committee; and Governor Ma Zhongchen.

**PRC: Qinghai's Xining Destroys 'Den'  
Manufacturing Guns**

*SK1806070996 Xining QINGHAI RIBAO in Chinese  
28 May 96 p 1*

[FBIS Translated Excerpt] The broad masses of the people have positively joined the "severe crackdown" struggle, bravely informed against offenders, and boldly exposed criminal clues, thus creating some stirring deeds of being ready to take up the cudgels and bravely fight with criminal offenders. [passage omitted]

According to reports by four persons, the Chengdong Public Security Subbureau of Xining city cracked four major cases of manufacturing and trafficking in guns; arrested 15 criminals related to these cases; destroyed a gun-making den; and confiscated eight ".64-caliber" guns, two small-caliber guns, two semi-automatic rifles, one folding rifle, five bullets, and some gun-making tools and spare parts.

**PRC: Jilin Secretary Speaks at Meeting on College  
Stability Work**

*SK2006061196 Changchun JILIN RIBAO in Chinese  
29 May 96 p 1*

[FBIS Translated Text] With the approval of the provincial party committee, the provincial committee for the comprehensive management of social security, the college work committee under the provincial party committee, the provincial public security department, and the provincial educational commission held a provincial meeting on comprehensive management of public security on colleges a few days ago. Zhao Yongji, standing committee member of the provincial party committee and secretary of the provincial committee of political science and law, attended and addressed the meeting.

Comrade Zhao Yongji pointed out: The key to successfully maintaining college stability and comprehensively managing the public security of colleges lies in enhancing understanding and strengthening the leadership. Party committees and governments at all levels should list the college stability work as a major item on their daily agenda, regard it as a major event related to the overall stability, and consider it a major guarantee for implementing the strategy of invigorating the country with science and education. All localities should map out feasible and specific programs and make arrangements for this work as soon as possible in line with the reality and through conscientious investigation and study as well as meticulous research. The departments in charge of the college work should regard the maintenance of college stability as a regular and essential work; should serve as good advisers to party committees and governments; and should expeditiously and ef-

fectively guide various colleges to do their work well. All levels of college leaders should be subject to the system of assuming responsibility for maintaining college stability in order to truly establish the situation in which each level controls and assumes responsibility for the work at the next lower level and really strengthens leadership over the work.

Comrade Zhao Yongji demanded: In safeguarding stability and rectifying the public security of colleges, all relevant fields should set forth definite tasks and cooperate with one another. To successfully safeguard college stability, all fields and departments should assume responsibility for it. The party, government, trade union, and Communist Youth League organizations within colleges should each assume responsibility for its own work while closely coordinating with each other. At the same time, all relevant circles in society should actively involve themselves in this work, make concerted efforts to manage this work, perform their own duties, and give play to their role. All levels of organs for comprehensive management of social security and all departments in charge of public security, education, propaganda, culture, press and publication, radio and television broadcasting, administration of justice, industry and commerce, urban construction, land management, and public security should firmly embrace the idea of coordinating all their activities like moves in a game of chess when safeguarding college stability, and then accurately find out their places, define their tasks, give full play to their functional role, and actively participate in and coordinate the work on maintaining public security among colleges. When safeguarding the stability of colleges and rectifying the public order of colleges, it is necessary to intensify measures and strive for practical results. We should further strengthen party building and the ideological, moral, and cultural building among colleges; arm the brains of college teachers and students with the theory of establishing socialism with Chinese characteristics; help teachers and students foster a correct outlook on world, on life, and on value; enhance their political discernment; and enable them to consciously resist all sorts of decadent ideas and the inroads of the ideological trend of bourgeois liberalization. We should purposefully do the political and ideological work and firmly depend on the party and government organizations at the grass-roots level to resolve all sorts of contradictions. We should earnestly organize the special work of rectifying public security of colleges and promote the implementation of all the measures concerning the comprehensive management of social security. We should resolutely check the rampant arrogance of such criminal activities as homicide, robbery, theft, injury, and hooliganism, and creating disturbance that seriously jeopardize the campus order, and truly deal stern

blows to them. Control and rectification of public security around colleges should also be strengthened. The setting-up of bar rooms, cabarets, video rooms, and electronic games rooms around colleges should be subject to strict examination, approval, and control. Those who indulge in "pornographic, gambling, and narcotics activities" must be banned resolutely. In addition, we should make great efforts to grasp the safety work within colleges, establish and perfect the safety control system, build up the ranks of the masses who engage in preventing crimes through their own efforts, and, in particular, build up the ranks of public security workers.

#### PRC: Hubei Secretary, Governor Attend 'Crackdown' Meeting

SK1906013696 Wuhan HUBEI RIBAO in Chinese  
1 Jun 96 p 1

[FBIS Translated Text] On 31 May, at an on-the-spot office meeting on the "crackdown," Jia Zhijie, secretary of the provincial party committee, emphasized that party committees and governments at all levels should understand anew the current situation in the "crackdown" and should reorganize, remobilize, and restrengthen the dynamics of the "crackdown" so as to win an even bigger victory in the "crackdown," safeguard social stability, and maintain political stability.

On the morning of 31 May, provincial leaders Jia Zhijie, Jiang Zhuping, Qian Yunlu, Yang Yongliang, Li Daqiang, and Liu Rongli travelled to the Hubei Provincial People's Armed Police Corps and the provincial public security department, listened to a report on the previous stage of the "crackdown," and then handled affairs on the spot and studied and arranged future work.

Before the opening of this on-the-spot office meeting, Jia Zhijie and others cordially visited with and comforted some of the public security cadres and policemen, as well as the armed police officers and men, who have fought in the forefront of the "crackdown." They also expressed, through these cadres and policemen, sincere greetings to all public security cadres and policemen, as well as all the people's armed police officers and men in the province, who have been working hard and making great contributions to the "crackdown."

After hearing the report on the "crackdown," Jia Zhijie said: The "crackdown" has already lasted for two months. Party committees and governments at all levels have paid great attention to it, guided it meticulously, and therefore achieved great results at the initial stage. The whole province, from higher to lower levels, has gone all out to deal severe blows to the arrogance of criminal offenders, thus affording general satisfaction, effectively promoting social stability, maintaining the

excellent situation, and creating a good social environment for making a good start in fulfilling the Ninth Five-Year Plan. With the political sense of being highly responsible for the party and the people and with the sense of mission, vast numbers of public security cadres and policemen, as well as armed police officers and men, have plunged into the battle day and night by carrying forward the glorious traditions of fearing no sacrifice, fighting continuously, and struggling arduously. Hence, many comrades have been wounded in action and died at their posts. This has fully shown that our ranks of public security, procuratorial, and judicial cadres and policemen are good and feature a strong political awareness, tough style of work, high quality, and trust from the party and the people.

Jia Zhijie pointed out: While keeping sight of achievements, we should also notice that the "crackdown" needs to be deepened further. Party committees and governments at all levels should understand anew the current situation in the "crackdown"; reorganize, remobilize, and restrengthen the "crackdown"; be most determined to carry forward achievements; summarize experiences; and closely combine the deepening of the "crackdown" with the maintenance of social stability in line with the arrangements of the CPC Central Committee. At present, hostile forces at home and abroad are strengthening and planning their infiltration and sabotage activities; some perverse religious sects have emerged in some localities; cases regarding the masses sparked off by contradictions among the people have increased; and some criminal offenders are still committing crimes despite the "crackdown." We must enhance our understanding and vigilance towards these cases and overcome the idea of being careless, slack, and weary of war in order to carry the "crackdown" through to the end. In addition, those who still commit crimes despite the "crackdown" should be severely and promptly punished.

Jia Zhijie pointed out: The purpose of the current "crackdown" is, in the final analysis, to prevent and reduce crime. We should seize this opportunity to successfully combine the "crackdown" with the following five aspects. First, we should combine the "crackdown" with the maintenance of stability to ensure the province's social and political stability. Second, we should combine the "crackdown" with the comprehensive management of social security and extensively mobilize and depend on the masses to establish and perfect the public security system. Third, we should combine the "crackdown" with the education on the legal system and administer the province according to the law. Through the "crackdown," we should extensively conduct education on the legal system throughout the province to raise people's

awareness of the legal system. Fourth, we should combine the "crackdown" with the building of the socialist spiritual civilization and profoundly launch the campaign against pornography and illegal publications to resolutely wipe out such ugly social conditions as gambling, narcotics addiction, and pornography. Fifth, we should combine the "crackdown" with the building of the ranks of public security, procuratorial, and judicial cadres, widely publicize the advanced examples emerging in the current "crackdown," and utilize these examples to promote the building of the ranks.

**PRC: Liaoyuan City Executes Three Criminals 31 May**

*SK1806071196 Changchun JILIN RIBAO in Chinese  
1 Jun 96 p 1*

[By Wang Jinling (3769 6855 6875) and Wang Lian-sheng (3769 6647 3932)]

[FBIS Translated Excerpt] On 31 May, Liaoyuan city held an open trial to mete out sentences in line with the law to the most serious case of the robbery of a car loaded with bank notes that occurred on 21 May and caused a sensation throughout the city. Three principal criminals—Tian Zhijia, Tian Zhiqian and Zhao Lian—were sentenced to death for the robbery, with their political rights deprived for life. With the approval of the provincial higher people's court, they were executed by firing squad.

The most serious case of the armed robbery of a car loaded with bank notes that happened on 21 May was a serious case of committing a crime by going against the law during the crackdown struggle period. The Liaoyuan city public security bureau made all-out efforts to crack the case rapidly. Through prosecution by the procuratorial organ, in only three days the three principal criminals involved in the case were escorted to court. On 27 May, after the judgment was announced, criminal Tian Zhijia refused to accept the sentence and lodged an appeal with the higher court. The Jilin Provincial Higher People's Court reviewed the case on that very afternoon. On 28 May, the provincial higher people's court ruled that his appeal should be rejected and his original sentence retained, and approved the Liaoyuan city intermediate people's court's death sentences for these three criminals. [passage omitted]

After this, this case aroused the attention of leaders from provincial and Liaoyuan city public security, procuratorial and judicial departments and the provincial higher people's court. The provincial higher people's court immediately sent a supervisory group to Liaoyuan city to guide its work that very night, thus providing

an effective guarantee for Liaoyuan city intermediate people's court to rapidly handle this case.

**PRC: Daily Views Results of Crackdown Campaign in Jilin Province**

*SK1806113696 Changchun JILIN RIBAO in Chinese 5 Jun 96 p 1*

[Report by Yan Li (0917 0536) and reporter Li Yong (2621 0516)]

[FBIS Translated Text] The Propaganda Department of the provincial party committee and the provincial Public Security Department held a news conference to release the periodic results of the province-wide centralized and unified crackdown operation. Zhao Yongji, member of the Standing Committee of the provincial party committee, secretary of the provincial Political and Legal Commission, and director of the provincial Public Security Department, gave a speech at the news conference.

Since the initiation of the "crackdown" campaign, public security organs at all levels across the province have acted in line with the unified plan of the provincial party committee and government as well as the Ministry of Public Security; have upheld and promoted the fighting spirit of fearing no sacrifices and fatigue; have concentrated efforts to encircle and suppress criminals; have made the crackdown struggle powerful and impressive; have achieved good results; and have cracked down on a number of unprincipled and long-pending major and appalling cases that caused great influence. The Jilin Public Security Bureau cracked the kidnapping case of Zhao Baoxiang, saved the hostage, and captured the suspect. The Jilin Railway Public Security section and the Shulan Public Security Bureau maintained close coordination and solved the bomb-planting case that happened at the stationmaster's room of the Shulan Railway Station on 23 February 1996, capturing the suspect. A number of criminal cliques that caused serious harm were smashed, and a number of hooligan and evil forces that tyrannized village folk and engaged all kinds of evil were eliminated. The Changyi District Public Security Subbureau in Jilin smashed a criminal clique with the nature of an underworld society that dominated a locality, being led by escaped criminal Zhao Dechun; seized three guns; and cracked more than 20 major and appalling cases. The Gongzhuling Public Security Bureau smashed a criminal clique with the nature of an underworld society led by Meng Qingli (with the nickname judge). This criminal clique injured people as well as engaged in robbery, racketeering, pornography, gambling, and drug abuse. In 1993, this criminal clique beat and injured a peasant named Yang who is now in a vegetable state. The Changling County Public Security Bureau smashed a criminal clique guilty of robbery, and

captured a batch of major escaped criminals and hooligans who were guilty of the most heinous crimes and who fled to other places for many years. The Chuanying and Longtian Public Security Subbureaus of the Jilin Public Security Bureau and the Siping Public Security Bureau successively captured several major murder and robbery suspects of other provinces and cities whom they were notified about by the Ministry of Public Security. The rapid crackdown on the current major criminal cases has promptly and forcefully punctured the swollen arrogance of criminals. Within 59 hours, leaders of the Liaoyuan Public Security Bureau assumed command, devised careful plans, fought in an all-round manner, applied all means, and succeeded in cracking the case concerning the armed robbery of a money-loaded car, capturing four criminals. The Baicheng Public Security Bureau showed a quick response, launched a rapid attack, concentrated efforts to encircle and suppress criminals, and only used 20 hours to crack a major case of killing five persons as well as brought to justice several criminals who fled to other localities many years ago. Through centralized operations to investigate and encircle criminals, and through the vigorous efforts to seize a great number of illegal firearms, social perils were reduced. While making vigorous efforts to seize firearms, public security organs also strengthened the measures for managing the firearms. The province as a whole smashed a number of plants and dens for manufacturing and selling illegal firearms. Concentrated efforts were made that eliminated socially repulsive phenomena; closed down a number of dens for sheltering evil people; conducted sudden checkups in song and dance halls, barbershops, guesthouses, restaurants, saunas houses, and other complicated places; and succeeded in purifying the social environment and public order.

According to initial statistics, from 20 April to 31 May, masses across the province provided 5,497 clues for criminal cases and sent 138 criminals to the police. The people's heroic deeds of bravely fighting against criminals emerged unceasingly. Under the strong "crackdown" offensive, 174 criminals across the province had voluntarily surrendered themselves to public security organs as of 31 May.

**PRC: Qinghai Province Holds Meeting on Crackdown Campaign**

*SK1806114196 Xining QINGHAI RIBAO in Chinese 5 Jun 96 p 1*

[FBIS Translated Excerpt] On 4 June, the provincial Public Security Department held its second "crackdown" meeting to summarize the situation of the preceding stage and to arrange for the work of the next stage. Yao

Xiangcheng, deputy secretary of the provincial party committee, attended the meeting. He set demands on party and government leaders at all levels as well as all Public Security, Procuratorial, and Judicial Departments as regards the question of how to further deepen the "crackdown."

Comrade Yao Xiangcheng said: Over the past 2 months, under the strong leadership of the provincial party committee and provincial government, and through the arduous endeavor of numerous public security cadres and policemen as well as party, government, and judicial cadres and activists who have participated in the campaign, the province as a whole has scored great achievements in launching the campaign to severely crack down on serious criminal offenses. In particular, since 11 May, even greater achievements have been made in the two unified actions of pursuing and seizing escaped criminals and of screening and taking over illegal firearms. The achievements scored in the "crackdown" have garnered the full affirmation of Comrade Yin Kesheng on behalf of the provincial party committee and government, and have obtained the applause of the people. As proven by the current "crackdown," our ranks of public security cadres and policemen are good in overall quality, strict in discipline, good in work style, and high in combat effectiveness, thus being the loyal bodyguards trusted by the party and the people.

Comrade Yao Xiangcheng said: The great achievements scored during the preceding stage of the "crackdown" can be attributed to the attention of the leaders; appropriate arrangements; effective measures; coordination in various fields; support from the masses; and swift actions. All localities must continue to uphold and constantly perfect them. He added: To deepen the "crackdown" and win complete victory, we should exert great efforts to further strengthen the leadership, to mobilize the masses, to implement various measures, and to make procuratorial and judicial departments speed up the handling of cases.

Comrade Yao Xiangcheng said: The problems of leaders were first manifested in their understanding. Failing to resolve problems in the leaders' understanding, it is very difficult to deepen the "crackdown." Party committees and governments at all levels must overcome the idea of following the beaten track, the idea of following the prescribed order, the slack mood, and the fear of difficulty, and should be resolute in winning victory in the "crackdown." The "crackdown" is also a war of people. In particular, as the "crackdown" develops in depth, it is all the more necessary to profoundly and painstakingly mobilize the masses to participate in the campaign. We should not only conduct propaganda, education, and mobilization among the masses on a

large scale and in a down-to-earth manner, but should pay attention to the work concerning family members, relatives, and friends of criminals.

Comrade Yao Xiangcheng demanded: Towards the unified actions decided by the provincial authorities, all localities must strengthen the leadership over them and strive to attain the goal of not only having targets, orientation, and priorities, but also build up a momentum and expand the social effects. Public Security, Procuratorial, and Judicial Departments at all levels should further readjust and strengthen the power of case handling, and should intensify their coordination in order to punish serious criminal offenders by the law in a timely manner. [passage omitted]

#### PRC: Numerous 'Evil Criminals' Executed in Jilin Province

SK1806115496 Changchun JILIN RIBAO in Chinese  
6 Jun 96 p 1

[Report by Guo Chunyu (6753 2504 7183) and reporter Li Yong (2621 0516)]

[FBIS Translated Text] On 5 June, the provincial Higher People's Court held a news conference to report on the progress of the province's "severe crackdown" struggle. Since the middle of May, all levels of courts throughout the province successively held 46 open rallies to sternly and rapidly sentence a large number of serious criminals. Through the rallies, a great momentum for the "severe crackdown" struggle has been built, and criminal offenders who had committed crimes despite the struggle were punished rapidly and sternly. On 21 May, three criminals in Liaoyuan—namely Tian Zhijia, Tian Zhiqian, and Zhao Lian—used tools to loot a sedan car owned by the city starch production plant. This case was cracked on 24 May. The city Intermediate People's Court was the first to investigate the case. On the morning of 27 May, this court held an open meeting to openly sentence, through the first trial, these three criminals to death. After the first trial, the accused lodged an appeal to the provincial Higher People's Court. The provincial higher court immediately opened the second trial proceeding, and made a final judgment on 28 May, approving to sentence these three criminals to death. On 31 May, they were executed by firing squad.

The province has dealt stern blows at evil murderers. From September 1993 to September 1995, Zheng Chunri, a peasant from Helong, successively killed five persons and injured one for no reason in the cities of Helong, Yanji, and Longjing. Through the first trial of the Yanbian Korean Nationality Autonomous Prefectural Intermediate People's Court and the final judgment

of the provincial Higher People's Court, this criminal offender, guilty of predetermined homicide and deliberate injury, was sentenced to death. On 28 May, Criminal Zheng was executed by firing squad at the execution ground of Helong.

The province has strictly punished gangs of train marauders and waylayers, which have an underworld nature. From November 1994 to January 1995, Robbers Yu Xiaofeng, Gao Congwei, and Zhang Yunfeng, ganging up with other persons, blocked highways, including the state Highway No. 102. They then drove the cars they had intercepted to depopulated places, and adopted means to threaten and beat the people in the cars. In this way, they committed 13 cases and robbed the people of more than 118,300 yuan. Through the first trial of the Changchun Intermediate People's Court and the final judgment of the provincial Higher People's Court, these three criminals were sentenced to death according to the law. On 30 May, they were executed by firing squad at the execution ground of Dehui.

In addition, all levels of courts sternly attacked according to the law frequently-occurring criminal activities, such as the kidnapping of children, engaging in black-mail, and stealing and killing cattle.

**PRC: Sichuan Secretary, Governor Visit  
Chongqing Police Branch**

*OW2006110996 Chengdu Sichuan Television Network  
in Mandarin 1145 GMT 15 Jun 96*

[From the "Provincial News Hookup" program]

[FBIS Translated Excerpt] [Announcer] On the afternoon of 13 June, accompanied by people in charge of the Chongqing City CPC Committee, the Chongqing City Government, and the Sichuan Provincial Public Security Department, Xie Shijie, secretary of Sichuan Provincial CPC Committee, and Governor Song Baorui, who are inspecting the work of Chongqing City, visited the policemen and cadres of the Dayanggou Police Branch of Chongqing City.

The Dayanggou Police Branch of the Yuzhong District Police Substation of the Chongqing City Public Security Department is a typical advanced collective of the national public security system. [passage on awards received by the branch omitted]

After listening to a detailed report on the work of the Dayangkou Police Branch, Xie Shijie fully affirmed the achievements made by the branch.

[Xie Shijie] For decades, the Dayangkou Police Branch has stood through thick and thin together with the people, fought together with them to defend the people, and created a favorable environment for them. The police branch has been praised by the people. This is only natural and conforms with reality. Today, the reason why the governor and I have come to visit them is also to encourage them, and affirm their achievements. I hope they will keep up their good work. Their working conditions are not quite good, but their spirit, attitude, and work of serving the people are very good. I hope what they have done will be widely publicized and the policemen and cadres of public security departments at all levels of the province should be urged to learn from them.

[Announcer] A group photo of Xie Shijie, Song Baorui, and other leading comrades, together with all the policemen and cadres of the Dayanggou Police Branch, was also taken.

**PRC: Qinghai Cracks Down on Illegal Hunting**

*SK1806071096 Xining Qinghai People's Radio  
Network in Mandarin 2300 GMT 17 Jun 96*

[FBIS Translated Excerpt] The public security organ of the provincial forestry department has given full scope to their functional role and positively waged a strict struggle against criminal activities.

Since launching the struggle, the public security organ of the provincial forestry department has acted according to the provincial public security department's arrangements for waging a severe crackdown struggle, and focused its main efforts at attacking illegal hunting activities. As of the end of May, this public security organ had cracked 66 criminal cases of various kinds; arrested 148 criminal offenders; and seized 18 guns of various types, 639 wild animal skins, and 17 vehicles. [passage omitted]

### East Region

#### **PRC: Xiamen Becomes Concentrated Area for Taiwan Investment**

96CE0255B Beijing GUOJI SHANGBAO in Chinese  
12 Apr 96 p 1

[Article: "Xiamen Becomes Most Concentrated Area for Investment from Taiwan Businessmen"—By end of February, 1,271 Taiwan-funded enterprises have been approved to invest in Xiamen with a total investment of \$2.75 billion]

[FBIS Translated Text] Since the introduction of the first Taiwan-funded enterprise in 1994, 1,271 Taiwan-funded enterprises have been approved to invest in Xiamen with a total investment of \$2.7518 billion, of which funds from Taiwan businessmen totaled \$2.527 billion, and 888 enterprises had opened for business. The amount of investment already put to use reached \$1.161 billion.

Among the Taiwan-funded enterprises approved to invest in Xiamen, wholly Taiwan-funded enterprises accounted for 76.12 percent of the total, joint ventures 16.45 percent, and cooperative enterprises 7.4 percent of the total. The main features of Taiwan investments are as follows:

1. Enterprises of a production nature play a predominant role. There are 951 such enterprises, accounting for 75 percent.
2. The percentage of Taiwan-funded enterprises with negotiated investment is relatively high—approximately 91.9 percent.
3. Investments from Taiwan businessmen have recently become more fund- and technology-intensive as compared with the labor-intensive projects which prevailed in the early stage. The amount of per-unit investment in average increased from \$1.06 million in 1988 to \$2.16 million in 1995, a net growth of \$1.1 million.
4. The number of large enterprises involving high and new technology is on the increase every year. Right now, there are 50 Taiwan-funded enterprises in Xiamen each with more than \$10 million investment, of which two have Taiwan investment exceeding \$100 million each, and 20 Taiwan-funded enterprises have gone into operation in the Development Zone for High Technology. Taiwan-funded enterprises in Xiamen hold more than 80 patents.
5. The amount of output value of the Taiwan-funded enterprises, taxes they paid, and the amount of foreign exchange they have earned from exports accounted for more than 50 percent of those of the enterprises with foreign investments.

6. A great majority of the Taiwan-funded enterprises are exclusively owned by Taiwan businessmen, accounting approximately 76.12 percent of the total.

7. The Taiwan-funded enterprises have made good profits. The profit rate has exceeded 90 percent.

8. The areas where investments can be made are constantly expanding.

#### **PRC: Jiangsu Arranges Next Step in Anticrime Work**

OW1806104496 Nanjing XINHUA RIBAO in Chinese  
31 May 96 pp 1, 4

[By Shen Gongxuan (3088 1362 6513) and Liu Shou-tong (0491 1108 2717): "Provincial Political and Legal Commission Holds Teleconference To Mobilize and Arrange In-Depth Crackdown on Crime in Jiangsu; Cao Keming Delivers an Important Speech, Li Mingchao Makes Arrangements]

[FBIS Translated Text] To promote the province-wide crackdown on crime in depth, the provincial political and legal commission under the provincial party committee on 30 May held a teleconference on the work of cracking down on crime, to give a briefing on the progress and situation in this campaign in the previous phase and to arrange work for the next phase. On behalf of the provincial party committee and government, Cao Keming, deputy secretary of the provincial party committee, delivered an important speech at the conference. Li Mingchao, standing committee member of the provincial party committee and secretary of the provincial political and legal commission, made concrete arrangements for the work.

Cao Keming noted: Solving public order problems is of vital importance to reform, development, and stability as a whole. Leading cadres of the central authorities have repeatedly stressed whether leading cadres attach importance to public security and social stability, and the present anti-crime struggle addresses the important issue of whether they have the mass viewpoint, are really concerned about the interests of the masses, and attach importance to politics. Due to poor understanding of the on-going anti-crime struggle, leading comrades of a handful of departments and units in Jiangsu have not paid enough attention to it, nor have they done enough in the struggle. If this problem is not settled, a situation may develop in which some are strictly cracking down on crime while some are not; this will affect overall efforts in this struggle. He demanded that party committees and governments at various levels and relevant departments further enhance their understanding ideologically and devote themselves to the next-step struggle with more enthusiasm and a greater fighting will. It

is necessary to enhance the concept that the number-one men in the party and government should take chief responsibility, whereas comrades sharing the responsibility should take concrete action. All departments should fully exercise their functions, play their roles, use their advantages, mobilize all strength in their respective sectors, actively engage in anti-crime struggle, report and expose crimes, and prevent and stop the occurrence of serious cases. It is necessary to mobilize the masses by deepening propaganda, further encourage their enthusiasm for participating in the anti-crime struggle, so as to truly launch a campaign that involves all party members and mobilizes all people to expose those well-covered criminals. The public security departments, procuratorial organs, courts, and judicial organs should continue to play the role as the main force; each plays its own part and all coordinate closely in the battle. The principle of "severely and rapidly handling cases according to laws" should be followed in every link from investigation to prosecution and trial. It is necessary to further promote comprehensive management of public order and integrate strict crackdown with strict control and precautions. All measures in this regard must be carried out. All enterprises and establishments should strengthen self-safety and self-security and carry out the precautions in light of the demand, "each department exercises self-precaution and disciplines its own staff." It is necessary to strengthen vigorously the construction of small civilized and safe districts, villages, and organizations and enhance social precautions, so that every place and unit is put under somebody's administration, with a view to reducing criminal cases as far as possible, plugging up the loopholes for crime, and consolidating the achievements of the anti-crime struggle.

Li Mingchao, provincial party committee standing committee member and provincial political and legal commission secretary, briefed the meeting on the progress and situation in the province-wide struggle against crime in the previous phase. He said: Since launching the struggle against crime in the province, party committees and governments at various levels and political and legal departments have attached great importance to the campaign and taken rapid action. Over one month of intense fighting, initial results have been achieved in the province — a great number of serious and major criminal cases were solved; many criminals who had committed serious offenses and done all kinds of evil were arrested; a great number of criminal gangs and local evil forces were cracked; a great number of escaped criminals were captured; and a large quantity of evidence and stolen money and goods were seized. Li Mingchao made concrete arrangements for the next-step struggle against crime. He noted: In weighing the results of this anti-crime struggle, we cannot see how

many people we have caught; instead, we should emphasize how many serious cases, accumulated over the past years, we have solved; how many major escaped criminals we have captured; how many criminal syndicates we have crushed; and, finally, whether the masses of people really have the sense of security. The next step of work should focus on solving major cases, capturing escaped criminals, and cracking gangs. Party committees and governments in all localities should remobilize and relaunch the anticrime struggle in their respective localities, follow up the efforts of the previous phase, and promote the struggle in the next phase in a down-to-earth manner. In the course of the struggle, the number one men in the party committees and governments in various localities should still personally take command of the campaign, organize the mobilization, and coordinate all sectors to create favorable conditions for the smooth progress of the campaign. Party and government leaders sharing the responsibility in the struggle and responsible persons of political and legal departments as well as public security organs should insist in going to the front line to command and supervise the campaign. Party committees and governments at higher levels and political and legal departments should dispatch working groups to localities where progress in the campaign is slow, give different guidance to suit different conditions, actually help study and solve various problems cropping up in the campaign, and push the campaign further. We must pay attention to the response and call of the people, firmly grasp the conspicuous problems in local public order, study and draft the main work points for crackdown and rectification, work out a corresponding program of action, straighten out the idea on struggle, determine to solve the public order problems that are the most conspicuous and resented by the masses in each locality, strive to hit many protruding problems with one battle, constantly raise the art and level of struggle, and make sure to attain the expected goal of the campaign. Political and legal departments at various levels should launch a powerful political offensive through various forms and fully display the power of policies and laws. To persons who actively turn themselves in or do a deed of merit by reporting and exposing crimes, we must adhere to the policy of dealing leniently with them. In handling key cases, we must implement the responsibility system and organize keen-witted and capable forces to tackle them, with a view to solving a number of cases within a short period of time. Major cases committed during the current anti-crime campaign must be solved as soon as possible, so as to clamp down firmly and powerfully on the arrogance of criminals.

Leaders of various relevant departments in the province attended the teleconference. City and county party and government leaders in charge of political and legal work

and comrades responsible for various political and legal departments attended the conference in their respective localities.

**PRC: Private Economy Reported 'Booming' in Shanghai**

*OW1906090796 Beijing XINHUA in English  
0700 GMT 19 Jun 96*

[FBIS Transcribed Text] Shanghai, June 19 (XINHUA) — Private economy is booming in China's leading industrial city, and an increasing number of people from throughout the country are making a fortune here.

More than 155,000 private businessmen have registered with local industrial and commercial administrative departments, and several hundred more are registering each month.

Nearly 22,000 business people from various parts of the country are established here, accounting for 14.2 percent of the city's total self-employed people.

A local government official said that with the deepening of the economic reform and adjusting to the mix of various products, many workers lost their jobs and began seeking employment in the private economic sector.

Private businessmen in this category total 20,000 to 30,000 people, representing 20 percent of the city's total self-employed workforce.

Statistics show that private businessmen injected a gross registered capital of 1.2 billion yuan in the city last year, up one third from the previous year.

In 1995, they generated a gross output value and a sales volume of 300 million yuan and 6.8 billion yuan, respectively, up one third and one fourth from the previous year.

**PRC: Shandong's Laizhou Announces Operation of New Port Facility**

*SK1906103296 Jinan DAZHONG RIBAO in Chinese  
27 May 96 p 1*

[FBIS Translated Text] Laizhou held a news conference on 26 May to announce the operation of Laizhou Port, adding that the Laizhou-Dalian passenger and car navigation line using roll-on ships will formally begin 1 June.

The Laizhou Port project is a key construction project of the Eighth Five-Year Plan period, which was approved by the State Planning Commission in September 1991. It is a supporting project to the 1 million-tonne Laizhou salt field project. Following that, this project was filed as a local port project with the approval of the provincial

planning commission, with a total investment of 180 million yuan. The foundation stone for the construction of this port was laid on 8 April 1992. So far, it has one 10,000-tonne-class berth and three 3,000-tonne-class berths.

The ocean liner "Tianniao," which will be open to navigation on 1 June, has a carrying capacity of 1,050 people and 60 vehicles; the navigation time is 12 hours. On every odd-numbered day of the month, this ocean liner will sail at 1700 from Laizhou to Dalian, and on every even-numbered day it will return at 2130 from Dalian to Laizhou.

**PRC: Huang Ju Chairs Lecture on Administrative Punishment Law**

*OW2006105796 Shanghai JIEFANG RIBAO  
in Chinese 1 Jun 96 p 1*

["Shanghai Municipal Party Committee Holds Second Lecture on Legal System; Municipal Leaders Study Administrative Punishment Law"]

[FBIS Translated Text] The Shanghai Municipal CPC Committee held the second lecture on the legal system yesterday afternoon and municipal leaders heard a report on the Administrative Punishment Law by Professor Ying Songnian of the National Institute of Administration. Huang Ju, secretary of the Shanghai municipal party committee, chaired and spoke at the lecture.

Professor Ying Songnian gave a lively lecture with practical examples on the fundamental principle, types and background, and procedure and legal responsibility under the Administrative Punishment Law. The lecture lasted for two hours.

In a speech following the lecture, Huang Ju said: The promulgation of the "Law of the People's Republic of China on Administrative Punishment" is a big event in the development of China's socialist democracy and a socialist legal system. The law is very important to regulating activities of administrative organs, promoting administration in accordance with the law, improving administrative management, strengthening the establishment of a clean government, and protecting legitimate rights and interests of citizens, legal persons, and other organizations.

Huang Ju said: The law, which will be implemented with effect from 1 October this year, has put forward a new and higher demand on the management tasks of administrative departments at all levels. Administrative organs at all levels must gather their personnel, particularly leading cadres, to earnestly study the "Administrative Punishment Law." This is to ensure that the vast number of administrators and law enforcers understand

and master the contents and stipulations of the law as well as strictly administrate and manage in accordance with the law to raise the level of law enforcement. Law publicity and education departments at all levels must adopt lively and efficient method to motivate the people to study the law so as to bring about an environment whereby the people study, understand, and abide by the law, and safeguard their legitimate rights and interests in accordance with the law.

Huang Ju stressed: Administrative and law enforcement departments at all levels must strengthen their study and continue to raise their level and capability to administrate and manage in accordance with the law. This is to promote improvement of the municipality's administration in accordance with the law.

Municipal leaders who participated in the lecture included Xu Kuangdi, Chen Zhili, Wang Liping, Ye Gongqi, Chen Tiedi, Luo Shiqian, Jin Binghua, Zhang Huixin, Zhu Daren, Meng Jianzhu, Wang Wenhui, Sun Guizhang, Xie Lijuan, Jiang Yiren, Zuo Huanchen, and Zhao Dingyu.

#### **PRC: Over 1,800 Noncommunists Hold Official Posts in Shanghai**

*OW1906091196 Beijing XINHUA in English  
0714 GMT 19 Jun 96*

[FBIS Transcribed Text] Shanghai, June 19 (XINHUA) — Among officials above county level in China's largest municipality, Shanghai, more than 1,800 are non-members of the Communist Party of China, the municipal government said today.

Among them, approximately 230 hold senior posts in the municipal government and judiciary, including the deputy director of the Municipal Education Commission, and the deputy general procurator, said a spokesman.

According to the official, the united front work department under the municipal government had worked out a general plan for the use of local non-communist talents throughout the 1990s.

All the non-communist officials in Shanghai enjoy full confidence of the municipal government and have final say in their own work, he noted.

"They have worked very hard and contributed to the city's economic prosperity, earning favorable comments from both the CPC Municipal Committee and various social strata," he said.

#### **PRC: Shanghai University Students Apply To Join CPC**

*OW2006091996 Beijing XINHUA in English  
0801 GMT 20 Jun 96*

["Shanghai University Students Eager To Join CPC" — XINHUA headline]

[FBIS Transcribed Text] Shanghai, June 20 (XINHUA) — More than 6,800 students from the 45 universities and colleges in China's largest city have joined the Communist Party of China (CPC), while 30,000 others have asked for applications.

A recent survey showed that over 7 percent of the undergraduates and over 25 percent of the postgraduates in Shanghai's higher education institutions are party members, while another 22 percent of these students are actively seeking membership.

In June, the proportion of classes without any party members in local universities and colleges had dropped 4 percentage points from the figure reported in 1995.

In major universities such as the Fudan, Tongji, and Jiaotong (Communications) Universities, the number of students voluntarily studying the Charter of the CPC is steadily increasing, according to the survey.

#### **PRC: Shanghai To Start 2d Phase of Subway Construction**

*OW1806154896 Beijing XINHUA in English  
1444 GMT 18 Jun 96*

[FBIS Transcribed Text] Shanghai, June 18 (XINHUA) — Shanghai, China's biggest industrial center, has got the approval from the State Council to build the first phase of its second subway, a local official announced today.

The project will serve as an east-west back-bone subway line in the city's fast rail traffic network, measuring about 13.6 kilometers in length.

The construction of the city's No. 2 subway will ease the tension of its east-west heavy traffic and passenger flow.

Its cross-section with the No. 1 subway will be around the People's Park in the city's downtown area.

To quicken the pace of the construction of the subway, a leading group has been organized, with the mayor and vice-mayors heading the group.

So far the initial design of the project's expansion has been finished, contracts for imported electronic equipment has been signed and the preparatory work has already started.

**PRC: Shanghai Expands Retail Sector**

OW1806080196 Beijing XINHUA in English  
0750 GMT 18 Jun 96

[FBIS Transcribed Text] Shanghai, June 18 (XINHUA) — In a show in its commercial strength, China's leading commercial powerhouse is building more department stores and chain stores in other parts of the country.

In the first three months of this year, the Shanghai Municipality struck 18 deals with other localities, bringing its total of market expansion agreements to 236, with the total business floor space reaching 370,000 sq.m.

To date, Shanghai has opened retail outlets in all parts of the country except for Taiwan, Ningxia and Qinghai.

A 6,000 sq.m. new department store built by Shanghai is attracting crowds of consumers in Hefei, capital of Anhui Province, and two 10,000 sq.m. and a 27,000 sq.m. department stores are under construction in the large cities of Changchun, Chongqing and Wuhan.

Municipal officials said that the cities along the Yangtze River [Chang Jiang] and in the river delta area are a focal point for Shanghai's expansion project; 188 large outlets have been built there.

A pioneer in the chain store business, Shanghai has already opened dozens of chain shops and supermarkets in several large cities such as Beijing, Xian, Taiyuan, Hefei, Chongqing, Changchun, Nanjing and Wuxi.

It is expected that Shanghai's retail sales in other localities will top three billion yuan this year.

**PRC: Half of Shanghai's Households Have Telephones**

OW1906091096 Beijing XINHUA in English  
0641 GMT 19 Jun 96

[FBIS Transcribed Text] Beijing, June 19 (XINHUA) — One out of every two urban households in Shanghai now has a telephone.

More than 1.55 million urban households in Shanghai, China's leading industrial and commercial city, have installed telephones. The figure accounts for about 50 percent of the city's total households, which stand at 3.09 million, according to today's "Wen Hui Daily."

The number of residential telephones has increased rapidly in urban Shanghai in recent years.

Statistics show that during the period between 1994 and 1995, the number of telephones installed each year was more than 900,000.

There were more than 500,000 urban households waiting for installation of telephones early this year; 290,000

of them have become telephone users to date. Now, two urban Shanghai households share one residential telephone.

**PRC: Huang Ju on Improving Shanghai's Rural Grass-Roots Units**

OW2006115396 Shanghai People's Radio Network  
in Mandarin 2300 GMT 13 Jun 96

[From the "990 Morning News" program]

[FBIS Translated] At a municipal work meeting on grass-roots units in rural areas held on 13 June, it was proposed that the general goal for grass-roots units in Shanghai's rural areas during the Ninth Five-Year Plan Period would be as follows: By the end of the Ninth Five-Year Plan Period, party organs should be built into a firm and powerful leadership for grass-roots units in rural areas; township governments into streamlined and effective grass-roots political power organs in rural areas; administrative villages into sound and complete self-government organs for peasants; and residential areas into new communities where peasants can enjoy a safe and civilized life. Initial success will be achieved by then in forming new urbanized rural communities that constitute a supplementary part of a modern international city and in laying a solid foundation for building new rural socialist communities.

Mayor Xu Kuangdi presided over yesterday's meeting. Secretary Huang Ju delivered a keynote speech entitled "Strengthening the Leadership of the Party, Improving the Management of Communities, and Striving To Create a New Situation for Grass-Roots Work in Rural Areas." Huang Ju said: The guiding ideology for improving grass-roots units in rural areas during the Ninth Five-Year Plan Period is as follows: Guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the basic line of the party, we should persist in coordinated social and economic development, progress of material and spiritual civilization, as well as comprehensive construction of grass-roots party organs and grass-roots political power in rural areas. We should strengthen spiritual civilization construction as well as community development and management. We should continuously improve the new system of three-level government and three-level management in suburban areas. We should maintain stable social environment to promote sustained, rapid, and healthy economic development. In this way, we can promote rural grass-roots work to a new level.

At the meeting, Deputy Secretary Chen Liangyu put forward specific requirements for carrying out the guiding spirit of the grass-roots work in rural areas. Meng Jianzhu, standing committee member of the Shanghai

Municipal CPC Committee and vice mayor, spoke at the meeting. Also attending yesterday's meeting were party and government leaders including Ye Gongqi, Chen Tiedi, Luo Shiqian, Jin Binghua, Zhang Huixin, Sun Guizhang, Xia Keqiang, Gong Xueping, and Zuo Huancun.

**PRC: Zhejiang Security Chief Briefs Units on Crackdown**

OW1806112196 Hangzhou Zhejiang People's Radio Network in Mandarin 1000 GMT 14 Jun 96

[Report by reporter Lu Jingyan; from the "Provincial News Hookup" program]

[FBIS Translated Text] The Zhejiang Provincial Public Security Department and the Hangzhou Municipal Public Security Bureau called a meeting today [14 June] to brief units under provincial and municipal governments on the current crackdown situation. Shi Daxiao, member of the provincial party committee standing committee and director of the provincial public security department, urged all units to take immediate actions and contribute to the province's on-going crackdown.

Shi Daxiao said: While Zhejiang has achieved major successes in the crackdown since it started in late April, there are still problems that we cannot afford to ignore. One problem is that the mobilization made by government organizations, enterprises, and institutions is inadequate; the moves they have made are small, and the efforts they have exerted are not powerful enough. During the crackdown period, criminal cases still occur frequently in some units.

Shi Daxiao urged all units to heighten their awareness and genuinely unify their thinking with the instructions made by the Central Committee and the provincial party committee. He said: In conjunction with the actual situation in your departments and units, you should take advantage of the opportunities created by the on-going crackdown and clearly define your missions, firmly mobilize your personnel, intensify your investigation and your efforts to ferret out criminal elements, impose necessary controls, and carry out all measures for comprehensive control of public offenses. Meanwhile, all regions and departments should proceed with their internal and external crackdown simultaneously, and all organizations must firmly strengthen their leadership and accept and coordinate the inspection made by local public security organs. Units and personnel implicated by public organs must absolutely not be covered up no matter who is involved.

**Southwest Region**

**PRC: Tibet Chairman on 10th Panchen's Stupa**

OW2006123396 Lhasa XIZANG RIBAO in Chinese 30 May 96 p 1

[Report by staff reporter Yixi Jiacao (4135 6007 0502 2238): "Ceremony Marking the Completion of the Great Stupa for 10th Panchen Held at Zhaxi Lhunbo Lamasery; Zheng Ying Officiates the Ceremony; Gyalcan Norbu, Sangzhu Deliver Speeches; Pagbalha Geleg Namgyai on Hand"]

[FBIS Translated Excerpt] On 29 May, the Leading Group on Constructing the Great Stupa for the 10th Panchen Erdini Qoigy Gyaincain held a ceremony at the Zhaxi Lhunbo Lamasery to mark the completion of the project and its official transfer to the lamasery. Gyalcan Norbu, head of the leading group and regional chairman; Sengqen Lozong Gyaincain, honorary chairman of the Zhaxi Lhunbo Lamasery's Democratic Management Committee and vice chairman of the regional people's congress standing committee; and Salong Pingla, executive vice chairman of the lamasery's Democratic Management Committee, signed the "transfer paper on surplus materials in the construction of the great stupa for the 10th Panchen," as the transferor, the supervisor, and the transferee respectively. Thus far, the construction, acceptance test, light-opening, and completion of the great stupa for the 10th Panchen have all been smoothly completed.

Pagbalha Geleg Namgyai, adviser to the construction project, vice chairman of the National People's Congress [NPC] Standing Committee, and chairman of the Chinese People's Political Consultative Conference [CPPCC] regional committee, attended the handover ceremony.

The ceremony was officiated by Zheng Ying, deputy director of the leading group and vice chairman of the regional people's congress standing committee. On behalf of the Xigaze prefectural party committee, the Xigaze government administrative office, and the office for constructing the great stupa for the 10th Panchen, Sangzhu, director of the office for constructing the great stupa, member of the regional party committee standing committee, and secretary of the Xigaze prefectural party committee, expressed welcome and heartfelt gratitude to various attending leaders, construction project advisers, and members of the leading group. [passage omitted]

Regional Government Chairman Gyalcan Norbu delivered an important speech at the summarizing and handover ceremony. He said: We are holding a ceremony today to mark the completion of the construction of the

great stupa for the 10th Panchen and its official transfer to the Zhaxi Lhunbo Lamasery. It showed that the construction, acceptance test, light-opening, and completion of the great stupa for the 10th Panchen have all been successful. He pointed out: The construction of the great stupa for the 10th Panchen was one of the three decisions made by the State Council after the 10th Panchen's death. It reflected the party's and government's profound concerns for Tibetan Buddhism, and demonstrated the central authorities' commendations for the 10th Panchen's glorious life during which he loved the country and cherished religion. It was also a major specific demonstration of party and government policies toward nationalities and religion. The government allocated 64.062 million yuan of special funds, 1,228 jin of gold, and 550 jin of silver for the construction project. The enormous investment has attracted global attention. [passage omitted]

On behalf of the regional party committee, the people's government, and the Leading Group on Constructing the Great Stupa for the 10th Panchen Erdini Qoigyi Gyaincain, Gyalcan Norbu expressed lofty respect and heartfelt gratitude to the central authorities and relevant state ministries and commissions that have been concerned for and supportive of the construction project; to NPC Vice Chairman Pagbalha Geleg Namgyai and various advisers who attended the ceremony; to various member units of the leading group; to the Xigaze prefectural party committee, the Xigaze Government Administrative Office, and the Zhaxi Lhunbo Lamasery's Democratic Management Committee; to the 300-odd competent workers and craftsmen who directly took part in the construction; and to the religious figures and believers who were concerned for the project!

Gyalcan Norbu stressed: Panchens of various generations have been staying at the Zhaxi Lhunbo Lamasery. The central, regional, and Xigaze prefectural party committees and government organizations have high expectations for the lamasery. On 28 May, the lamasery held a ceremony to unveil a golden board inscribed and presented by President Jiang Zemin. I firmly believe: The lamasery's monks surely will firmly remember General Secretary Jiang Zemin's teaching on "protecting the country and benefiting the people," merit the state's favors, continually hold high the banner of loving the country and cherishing religion, and resolutely wage struggles against the Dalai clique's criminal acts that will bring disaster to Tibet and religion. Furthermore, they will always lead others in obeying state laws and government administration, in strengthening management over the lamasery, in safeguarding fundamental Buddhist principles, and in benefiting the masses in an

effort to be an exemplary model of all the temples in Tibet. [passage omitted]

Also attending the ceremony were relevant personnel of the party Central Committee United Front Work Department; members of the leading group, including Cemolin Danzengchilie, Qudan, Pingcuo, and Jiabao; responsible figures from relevant regional departments, including Baimachilin, deputy secretary general of the regional people's government; Xiangba Gadeng, director of the regional people's government nationalities and religious affairs commission; Chilai, deputy director of the regional party committee united front work department; members of the Zhaxi Lhunbo Lamasery's Democratic Management Committee; monks' representatives; and Xigaze prefectural leaders.

#### PRC: Tibet Urges Officials To Learn From Exemplary Figure

OW1506130896 Beijing XINHUA in English  
1257 GMT 15 Jun 96

[FBIS Transcribed Text] Lhasa, June 15 (XINHUA) — The regional government of Tibet held a meeting here today, calling on officials coming from interior areas to aid the region to follow the example of a model weather man.

Chen Jinshui, born in east China's Zhejiang Province, had worked in Tibet for 33 years following his graduation from Beijing Meteorological Institute in the 1950s. He worked under harsh conditions at the Ando Meteorological Station, the highest in the world, for 16 years.

Raidi, deputy secretary of the regional committee of the Communist Party of China, called on all officials and party members in Tibet, especially leading officials at various levels, to attach great importance to learning from Chen Jinshui and use various forms to combine the learning of Chen with that of Kong Fansen, an official who died on duty in Tibet.

Raidi said that the officials from interior areas are an important component of the official ranks in Tibet, and the development and progress of Tibet is full of their intelligence and energy. Chen Jinshui is an outstanding representative of them, he said.

He said that the emulation of Chen is the call of the times and an objective necessity under the new circumstances.

**PRC: Lhasa Police Report Arrest of Criminals**  
*OW1706053396 Lhasa XIZANG RIBAO in Chinese*  
 30 May 96 p 1

[By reporter Da Erji (6671 1422 1015)]

[FBIS Transcribed Text] In the past month since the launching of a struggle to crack down on crimes, a number of serious major and important criminal cases that have a great impact on society have been cracked, and a number of criminal offenders who have committed heinous crimes have been arrested with the active participation of judicial and procuratorial personnel, public security cadres and police, and all sectors of society. To continue dealing blows at criminal offenders and to further deepen the crackdown struggle in Lhasa, the Lhasa City Public Security Bureau held a grand meeting at the Xizang Gymnasium on 29 May to carry out, according to law, a public arrest of 12 serious criminals who had intentionally committed murders, harmed others, committed theft, and engaged in the selling of firearms. At the meeting, the security bureau also announced that eight of the criminal offenders who had organized people to engage in illegal entries or exits and to commit theft and pick people's pockets shall be required to undergo rehabilitation through labor.

Of the 12 criminals arrested, two committed the shocking robbery and murder case in Lhasa on 4 May. Criminal offenders Sulang Quzhen and Zha Sang murdered Yu Zhen (female, 63) on 4 May and robbed her of five cat's eyes, one gold bracelet, one gold chain, two gold rings, and one wristwatch, worth a total of 230,000 yuan. They were arrested by the police while trying to leave Tibet secretly.

Basang Duoqi is 27 this year. On the evening of 6 March 1996, he had a drink with Nima Jiancai and others at the Kamakusang Civilized Hotel. He had a quarrel with Nima Jiancai during the singing of a song. When Nima Jiancai was returning home at midnight, Basang Duoqi pulled out a knife he had carried with him and stabbed Nima Jiancai, who was running away. Nima died of excessive blood loss.

At the meeting, relevant leaders of the autonomous regional political and legal committee and the Lhasa City Political and Legal Committee stressed: Law-breaking and criminal activities are a comprehensive reflection of negative factors in society. It is hoped that all sectors of society and the masses of people will consciously shoulder the responsibility of safeguarding public order and social stability and actively participate in the crime crackdown struggle so as to wipe out criminal offenders and turn Lhasa's crackdown struggle into a people's war.

**PRC: Tibet To Promote Energy Project Construction**

*OW1606141496 Beijing XINHUA in English*  
 1334 GMT 16 Jun 96

[FBIS Transcribed Text] Lhasa, June 16 (XINHUA) — Southwest China's Tibet Autonomous Region is to speed up energy construction by launching more hydro-electrical projects, developing geothermal resources and building wind power stations.

A local government official said that from this year to 2000, Tibet will put more effort into energy construction work in cities and townships, and solve energy problems for farm and pastoral areas, in a bid to push forward the modernization of the region's energy industry.

The official said that in the following years, Tibet will focus on building of electricity networks in central Tibet areas and power projects at prefectural and city level.

The building of Yamzhog Lake Hydropower Station and its auxiliary projects — Zhigung and Oiga power stations will be key projects for Tibet in the coming years.

Tibet is also to speed up preparation work for the construction of hydropower stations in Qamdo, Ngari, Xigaze and Nyangchi, the No.3 Yangbajian Geothermal Power Station and Lhasa Solar Energy Power Station during the Ninth Five-Year Plan period (1996-2000).

In addition Tibet plans to complete the construction of power transmitting stations in the region's 19 counties without electricity by 2000.

The power generating output in the region is expected to reach 110,000 kilowatt-hours by the year of 2000, 2.2 times that of last year.

**PRC: Tibetan Relics Protection Project Begins**

*OW1806073496 Beijing XINHUA in English*  
 0649 GMT 18 Jun 96

[FBIS Transcribed Text] Lhasa, June 18 (XINHUA) — A six-month project to educate local residents about the protection of cultural relics has been launched in southwest China's Tibet Autonomous Region.

The project will provide a detailed introduction of the world-famous historical relics discovered on the Qinghai-Tibet Plateau, the highest plateau in the world with a total area of 2.3 million square kilometers.

Among the historical relics in Tibet are the Potala Palace, which is the largest and most renowned example of ancient architecture in the region, the Jokhang Temple, one of Tibet's oldest buildings, as well as ancient castles, tomb groups and frescos.

To capture the Tibetan people's interest and arouse their concern, an exhibit will be held to feature the great archeological discoveries there since the founding of New China in 1949, as well as to explain existing problems in renovation work.

There is a great need to spread general knowledge of relic preservation throughout the public, especially those in rural areas. Illustrated posters also will be published to educate residents how to handle their discoveries of historical relics, and how to sell antiquities collected at markets, as well as the ethical principles people should obey when they restore ancient buildings.

Local newspapers, TV stations and broadcasting stations have been involved in the project.

**PRC: Tibet Chairman at Family Planning Meeting**  
*OW2006113996 Lhasa XIZANG RIBAO in Chinese*  
30 May 96 p 1

["(Excerpts) of Speech by Tibet Autonomous Region Chairman Gyaincain Norbo at the Regional Discussion Meeting on Family Planning Work (23 May 1996)"]

[FBIS Translated Text] Holding a discussion meeting at this level on family planning work during the "two sessions" fully demonstrates the great importance the regional party committee and people's government attach to and their determination to do a good job in family planning work. Now I would like to discuss my personal views on the following issues:

### 1. The Situation Facing the Region's Population

During the Eighth Five-Year Plan period, the region achieved marked results in family planning work. Party committees and governments at all levels conscientiously implemented the policy of "carrying out family planning in areas inhabited by minority nationalities," which was formulated by the party Central Committee and the State Council; defined the principle of "adhering to active and stable endeavors; dealing with each case on its merits; offering specific guidance" concerning the region's family planning work; and implemented the "three no-changes," "three adherences," and "three combinations" policies concerning family planning work. In 1995, the region's population natural growth rate dropped from 18.4 per thousand in 1990 to 16.1 per thousand, that is, 63,200 fewer births were accumulatively registered in the five-year period. Thus the target of putting the natural population growth rate under the level of 16.5 per thousand during the Eighth Five-Year Plan period was accomplished. The region has initially ended the situation characterized by unplanned population growth, thus promoting development of the economy and improvement of national quality.

While affirming our achievements, we should also have a sober understanding and correct estimate of the region's situation in population and family planning work. First, since the peaceful liberation of Tibet, the region's population growth has accelerated remarkably. The region's population drastically increased from 1.15 million people in 1952 to 2.389 million people in 1995. Second, with the development of the region's economy and society and the improvement of its people's living standards and its medical and health conditions, its population growth pattern has changed from one characterized by a high birth rate, a high death rate, and a low growth rate to the present one characterized by a high birth rate, a low death rate, and a high growth rate. Third, the region's population growth structure belongs to a young population growth type. According to statistics, the region's population of teenagers in 1995 constituted 35.58 percent of its total population and that of the aged made up 4.62 percent. In the 10 years from 1970 to 1979, the region's population expanded at an average rate of 40,200 people a year. Beginning now, these people will enter child-bearing peak age and this shows that the region will face a new population boom peak during the Ninth Five-Year Plan period and beyond and the region's total population is expected to grow drastically. Fourth, the noncoordination between excessive population growth and economic and social development has caused a drop in the average per capita possession of cultivated land, grain availability, and amount of earnings; thus putting increasingly mounting pressures on medical and health work, education, and employment, with the problem of population quality becoming more and more pronounced. Fifth, family planning work has developed in an imbalanced way. Family planning work in agricultural and pastoral areas where the population constitutes 88 percent of the region's total is just in the stage where propaganda and family planning measures have not yet been earnestly implemented. At present, 450,000 people in the region's 17 counties still live under the poverty line. Apart from historical, economic, social, and natural geographical factors, blind population growth and poor population quality also serve as root causes for poverty.

As the region's family planning work has a late start, many supporting policies and measures have yet to further improve. Moreover, being handicapped by backwardness in the economic, cultural, education, and other fields, there are still some problems calling for urgent solutions in the work. First, some leading cadres have not yet firmly fostered the idea of bringing family planning work into the track of an overall plan for economic and social development and their understanding of the importance, urgency, long duration, arduousness, and complexity of the population problem badly needs

deepening. Second, the present family planning service work has failed to meet the masses' needs. Third, family planning institutions are imperfect and understaffed, their quality is poor as a whole, and their managerial competence has yet to improve. Fourth, family planning work faces shortages in funds and necessary service facilities and means.

## **2. Define Tasks, Pay Close Attention to Focal Points, and Ensure the Realization of the Region's Population Control Target**

The ongoing fourth session of the sixth regional people's congress will adopt the region's "Ninth Five-Year Plan for the National Economic and Social Development and the Program for the Long-Term Target for 2010." The target of endeavor set by the "program" during the Ninth Five-Year Plan period is for the region to increase its gross national product [GNP] by about 10 percent on average a year on the premise of improving economic efficiency, quadruple the 1980 baseline to 10.8 billion yuan, basically complete the task of shaking off poverty, enable the majority of people to achieve a well-to-do standard of living, and strive to greatly increase the level of national economic and social development as a whole. To realize the magnificent target, all fronts in the region should work hard and family planning work should adapt itself to the new developments and tasks.

1. The target of the region's population development during the Ninth Five-Year Plan. In accordance with the region's population plan, during the Ninth Five-Year Plan period, the average annual population natural growth rate will be around 16 per thousand and the population in 2000 will be brought under 2.62 million people. As the region has a vast territory and natural conditions, population situation, economic development level, resources environment, and production conditions differ and vary from place to place, it is unnecessary to impose a unified pattern on population development. Localities are encouraged to make full feasibility deliberations on achieving sustained economic growth on the condition of sustainable development under the framework of the autonomous region's overall target and in light of their own actual conditions and put forth their own population development targets so that population development will be commensurate with local economic development and resources environment.

What needs stressing here is that the issue of population is not just an issue of quantity and it includes population quality, structure, and distribution. The issue cannot be solved by just slowing down population growth. It should be approached from a wider angle and from the height of sustainable development. It is necessary to combine family planning work with the revitalization of

the economy, the realization of a well-to-do standard of living, the development of public health and education, the elevation of women's status, and the improvement of social security; and make overall plans for the work with all factors taken into consideration to achieve coordinated development in all sectors.

2. Shift the focus of family planning work in agricultural and pastoral areas and uphold service as a dominant factor. The focus of the region's family planning work is on agricultural and pastoral areas and its difficulty also lies with these areas. Doing a good job in family planning work among the peasants and herdsmen who constitute the region's total population is of crucial importance to whether or not the region's population control target can be achieved. Carrying out family planning in agricultural and pastoral areas is not only completely necessary but, moreover, conditions there are also relatively mature. The region has carried out family planning work at different levels and step by step for 16 years and a major climate conducive to family planning work has taken place in the region, under which the majority of the masses of the people can not only accept the government's birth giving [sheng yu 3932 5148] policy but also well receive family planning propaganda. They have urgent demands on family planning service.

Practicing family planning is an important way for the region to achieve prosperity and affluence. The regional party committee and people's government have again and again stressed: Practicing family planning is a cardinal policy with which to promote Tibet's prosperity and progress and the nation's growth and flourishing and an indicator showing that the autonomous regional party committee and people's government attach great importance to population and family planning work. Party committees and governments at all levels should understand that in judging a locality's economic development level, we should not only see total quantity of economic development but also see the population's average per capita possession of various resources. A leading cadre should learn to be a good manager and learn to manage money affairs. He should do accounts on population in relation to the economy and grain; have a sense of development, population, and of being on a per capita basis; and turn family planning work done by departments into an action of the party and government. At present, the region has a net population increase of 38,000 people a year. To maintain the current per capita grain availability, the region should produce an additional 11 million kilograms of grain a year. A considerable portion of the new economic growth is consumed by the newly born population in the forms of food, clothing, shelter, and transportation. The region has very limited cultivated

land. The high and cold natural environment has hampered grain production from increasing by a wide margin. The region has a weak economic foundation. Slow GNP growth, a poor reproduction capacity, and excessive population growth will surely hold up the input in economic construction, slow down economic growth, and hamstringing the government's input in various social undertakings.

Serving the peasants and herdsmen is the main task of family planning work. Efforts should be made to gear family planning work mainly to service. At present, the region's family planning work falls short of the demands of the times and cannot meet the masses' basic needs. This is a very pronounced problem. Party committees and governments at all levels and family planning administrative and service departments should comprehensively implement the family planning policy, adopt effective measures, carry out family planning service right down to grass-roots units, and offer quality service to the peasants and herdsmen so that everyone's contraception choice is effectively met. While giving better service, it is necessary to fully use multiple propaganda media, such as radio, television, and publications; and take simple and popular forms loved by the masses to give wide publicity to family planning work. All cultural, educational, and workers, youths, and women departments and organizations should bring their own strong points into play, strive to do a good job of conducting propaganda and education on family planning in coordination with family planning and medical and health departments, and enhance the broad masses' awareness in carrying out family planning so that people will make their own decisions in a free and responsible way.

3. Tighten controls over the floating population and do a good job of family planning work in cities. As the region's reform and opening up to the outside world as well as economic construction progress at an accelerated pace, there is a trend toward a big flow of population, which has helped promote economic development to a certain extent. At the same time, it has also brought about new developments and problems to the region's family planning work in cities and towns. Party committees and governments at all levels should place great stress on strengthening propaganda and education on family planning and offer better technical service to the floating population. In managing family planning among the floating population, it will not do to exclusively rely on family planning and health departments, and it is necessary for public security, labor, industrial and commercial, urban construction, and civil affairs departments to jointly manage the work in close coordination, gradually put the management of family planning among the floating population into the

overall plan for comprehensive management of public security and the management structure, and exercise unified leadership and unified management.

### **3. Adopt Effective Measures, Solve Contradictions and Problems Cropping Up in Family Planning Work**

With targets and tasks clearly defined, what counts is their completion. Party committees and governments at all levels should conscientiously implement the "Tibet Autonomous Regional Party Committee and People's Government Proposal for Doing an Ever Better Job of Family Planning Work"; rigorously carry out the "Tibet Autonomous Region Procedures for Management of Family Planning"; do a good job of family planning work by adhering to the attitude of being responsible for the people, the future, and the generations to come; and ensure the completion of the region's population development target.

1. Intensify government behavior and practice a family planning target management responsibility system. To do a good job of family planning work, first of all, it is necessary to solve the problem of understanding. Leaders at all levels should have the sense of urgency and responsibility; foster the idea of "population in a broader sense [da ren kou 1129 0086 0656]" and the overall conception of coordinated development in the population, economy, society, and resources environment; approach and solve the population problem from the heights of the fundamental interests of the Tibetan and other minority nationalities and Tibet's effort to achieve sustainable development; put family planning into the overall plan for national economic and social development as an important task; make it part and parcel of the overall situation of economic and social development; and ensure that the population and economic "targets are simultaneously assigned" and "a tight hold is kept on the two kinds of production." While making policies concerning employment, education, medical and health work, help-the poor work, and economic development, stress should be given to their convergence with the family planning policy. Efforts should be made to gradually implement the family planning target responsibility system, under which performance in doing family planning work is taken as one of the important grounds with which to assess the work achievements of party and government organizations and of leading cadres, institute a scientific responsibility target system, work out appraisal and assessment methods, and guide family planning work to healthy development.

2. Uphold "three no-changes," implement "three adherences," and popularize "three combinations." Family planning is China's basic national policy. Through long

practice and summarization of family planning work in the region, a set of policies commensurate with the realities in the region have formed. The current policies have taken both the needs of social and economic development and the masses' aspirations and capability to accept into account and they are conducive both to control of excessive population growth and to social stability and national unity. It is imperative to maintain the current policies' stability and continuity. Upholding the "three no-changes" means making no changes in current policies, in the already set population control target, and in the practice in which people assuming primary responsibility in party committees and governments at all levels personally attend and hold themselves responsible for family planning work; implementing the "three adherences" means adherence to propaganda and education, to quality service, and to voluntary choice; and popularizing the "three combinations" means combining family planning with maternity and child care, with the effort to shake off poverty and achieve a well-to-do standard of living, and with the building of civilized and happy families. The region's family planning work should follow the principle of being "active and reliable." By being active, we mean unswervingly implementing the basic national policy toward family planning so that the population, economy, resources, and social environment will develop in a coordinated way. By being reliable, we mean respecting the cultural traditions, religious beliefs, and customs and habits of the masses of peasants and herdsmen; give full consideration to the subsistence environment of localities, regional differences, and the imbalance in economic and social development; proceed in all cases from actual conditions; give specific guidance; and carry out our work in accordance with the principle of graduation. One point we should stress here is that family planning work should employ the method of persuasion and education, of conducting propaganda and giving guidance, and of helping the masses solve concrete problems rather than resorting to coercion and commandism. This will help safeguard the overall situation of social stability.

The region's population issue is not only an economic, social, and developmental issue but also a political one. We should have a high level of political sensitivity and the ability to distinguish. More often than not, the Dalai clique and Western hostile forces attack and slander China using the population issue as a pretext. This is determined by their counterrevolutionary political stand. Therefore, we should persist in working for the interests of the people and firmly overcome the disruption caused by the splittist forces. Family planning is a good thing that benefits both the country and the people. So long as we implement the family planning policy rigorously and

by proper means, the masses will support and welcome family planning.

3. Make concerted efforts to manage family planning and ensure the smooth progress of family planning work. It cannot be accomplished in one or two or in three or five years to realize the population control target, which is a long-term social systems engineering undertaking. Various departments should make concerted efforts to carry out family planning work in close coordination under the leadership of party committees and governments at all levels.

The autonomous regional leading group for the population and family planning is the region's leading organ for family planning work, which is responsible for the formulation of principles and policies of the region's family planning and the coordination of major events in family planning work. The autonomous regional commission for family planning is the autonomous regional government's functional department, which is responsible for the unified leadership and coordination of the region's family planning work, with its main tasks being comprehensively implementing the state's and region's principles and policies toward family planning work and doing a good job of family planning and of the planning, coordination, guidance, supervision, propaganda, and service relating to population work. Health departments are duty-bound to do a good job of family planning work. The region has accumulated rich experience in combining family planning with public health and maternity and child care and had a solid foundation. It is necessary to continue the work in this regard and lift it to a new level. The other departments, in particular, workers, youths, women, propaganda, cultural, educational, financial, civil affairs, planning, statistics, and public security departments, which undertake great responsibility in family planning work, should regard the work as their own duty, with each discharging its own duty, and continuously achieve new results.

4. Strengthen the building of the contingent of personnel doing family planning work. The building of family planning networks is the guarantee for doing a good job in family planning. It is necessary to effectively strengthen and perfect family planning administrative departments at all levels, properly decide the size of the personnel force for family planning work, and promote the formation of a mechanism for the work. The key to doing a good job in family planning work lies in keeping a tight hold on the four links of "sound organization, strict assessment, secure payment, and better quality." It is necessary to follow the principle of "giving specific guidance, suiting measures to local conditions, and making multiple use of family planning networks" and adopt multiple organizational forms commensurate with

local actual conditions. Prefecture and city level family planning service work will be done by maternity and child care centers at the prefectural (city) level; family planning centers at the county level will be attached to county hospitals for gynecology and obstetrics, with additional professional and technical personnel and service facilities provided; and a family planning center at the township level will be provided with a full-time maternity and child care person who is concurrently a township doctor. County financial departments should give proper payment to township doctors. It is an important task of family planning work for the region to train an adequate number of personnel in family planning who have political integrity and good professional competence and are able to work wherever they are needed and under whatever conditions. It is necessary to take multiple channels and ways in training qualified personnel so that personnel doing family planning work will have sound political quality and professional competence and be ideologically up to the mark and expert in one thing and good at many. It is necessary to institute and improve a job responsibility system, under which everyone has clear-cut responsibility, and gradually strengthen the construction of necessary facilities and improve service quality.

5. Make family planning funds secure. Guarantee in funds and materials constitutes a foundation for family planning work. At present, there is still a wide gap between input in family planning and actual needs. The region's input in family planning is far lower than the national average. During the Ninth Five-Year Plan period, more funds will be invested in family planning in accordance with the principle of "investment by all administrative levels," namely, financial departments at the state, autonomous regional, prefectural (city), and county levels will undertake one-fourth of the total investment to be made in family planning. Financial departments at all levels should place family planning funds in their financial budgets and ensure that 80 percent of the family planning funds is used for family planning service. In 1996, the funds invested in family planning by financial departments at the autonomous regional, prefectural, and county levels should amount to 0.5 yuan per person and the figure should reach 3 yuan by 2000.

Comrades, I am confident that through this current meeting, party committees and governments at all levels and relevant departments will further unify their thinking, deepen their understanding, have clear targets, strengthen leadership, do solid work, take new steps, and score new achievements in the region's family planning work.

#### **PRC: Yunnan Strengthens Crackdown Campaign**

*OW2006102596 Kunming YUNNAN RIBAO*

*in Chinese 7 Jun 96 p 1*

[By staff reporter Zhang Fu (1728 4395) and Pu Kairong (2528 7030 2837): "Strive To Achieve a Comprehensive Success of the "Severe Crackdown" Struggle"]

[FBIS Translated Text] The Political and Legal Commission of the Yunnan Provincial CPC Committee held in Kunming yesterday afternoon a teleconference on launching an extensive "severe crackdown" struggle. At the meeting, a plan was worked out for further implementing the extensive campaign across the province.

He Zhiqiang, deputy secretary and governor, made an important speech at the meeting. Jiang Xingchang, secretary of the Political and Legal Commission of the Yunnan Provincial CPC Committee, made a summary report on the result of the "severe crackdown" struggle carried out during the previous stage and made a concrete arrangement for the "severe crackdown" struggle to be carried out in the next stage.

At the meeting, He Zhiqiang said: During the previous stage of the "severe crackdown" struggle, party and government leaders at all levels in our province, in accordance with the policy and planning adopted by the central authorities and under the unified leadership of the Provincial CPC Committee and Government, attached great importance to the campaign and took personal charge of the work. Political and legal departments unified their understanding and took effective and cooperative actions. As a result, many major cases that had caused adverse consequences were discovered and criminal syndicates were destroyed, with some criminal elements being arrested; a group of guns, ammunitions, and explosives confiscated; and evil phenomena wiped out. It is fair to say that our province has made marked results in carrying out the "severe crackdown" struggle. On behalf of the Provincial CPC Committee and Government, I would like to express my sincere thanks and cordial greetings to public security personnel and armed police who worked on the first line of the "severe crackdown" struggle.

Based on the guiding spirit of the central authorities and the Provincial CPC Committee, He Zhiqiang expressed some of his opinions about how to continue to carry out the "severe crackdown" struggle in an extensive way. His remarks are as follows:

First, it is necessary to deepen understanding and conscientiously strengthen the leadership over the "severe crackdown" struggle. We should have a full understanding of the importance of this campaign and follow the

important decisions adopted by the CPC Central Committee. In terms of organizing and commanding work, leading party and government comrades at all levels should go to the first line, organize personnel, and make careful plans. It is necessary to mobilize the force of all social sectors to participate in and provide support to the "severe crackdown" struggle. Leading party and government comrades at all levels should lead, support, and supervise political and legal departments to enforce the law strictly and crack down on various crimes as soon as possible and as severely as possible. In terms of material support, leading party and government comrades at all levels should conscientiously carry out the principle of "three guarantees and two supports" adopted by the Provincial CPC Committee and Government. They should make an overall arrangement and gradually increase annual budgets for political and legal departments.

Second, leading party and government comrades at all levels should focus on key issues and strive to produce effective results. They should try to solve outstanding public security problems and make more efforts in resolving major cases, arresting escaped criminals, and cracking down on gangsters. The major task for the province is to crack down on criminals who commit murders, robberies, and thefts, as well as drug and gun trafficking. Specific measures should be taken in all aspects. We should try to wipe out all notorious crimes with effectively. Major standards for evaluating the success of our "severe crackdown" struggle are: How many important cases have been discovered and solved in recent years? How many escaped criminals have been arrested? How many criminal syndicates that threaten the safety of society and people have been destroyed? How many convicts who committed notorious crimes have been severely punished? How well have we consolidated public security issues? And last but not least, do the people feel safer?

Third, during the course of the "severe crackdown" struggle, we should strengthen the construction of the rank and file of political and legal personnel. It is necessary to mobilize and educate the broad masses of political and legal personnel to ensure that they carry forward fine tradition, maintain high morale, strict discipline, and good work style. During the course of the "severe crackdown" struggle, they should bring into full play their role as a major force. It is necessary to commend and give publicity to those model civilians, police, as well as political and legal personnel who made achievements during the campaign. Severe punishment should be given to those who failed to observe disciplines and those who neglected their duties. Those who participated in criminal activities, protected or assisted criminal el-

ements, took bribes, and practiced favoritism should be punished in accordance with law. Conscientious efforts should be made to strengthen the construction of leading groups of political and legal departments and improve the education among political and legal personnel. In this way, we can ensure the success of intensive and healthy development of the "severe crackdown" struggle and achieve even greater breakthroughs. Leading comrades of party and government organs as well as enterprises and institutions at all levels should also pay high attention to this campaign and actively participate in the struggle. They should make sure that public security in their jurisdiction is good. Propaganda and public opinion departments should also participate in the campaign. We should fully mobilize and rely on the people and combine crackdown efforts with preventive measures in a bid to improve the overall consolidation of public security.

While talking about the major situation of the "severe crackdown" struggle during the previous stage, Jiang Xingchang said: With the success of the previous "severe crackdown" struggle, some localities, where public security was poor, witnessed improvement in this aspect, with the number of criminal cases in the province dropping remarkably. In April, criminal cases and major cases dropped by 17.3 percent and 5.1 percent respectively, as compared with the same period last year. But we should not overestimate the success of the previous struggle. It should be noted that some criminal syndicates and evil elements, who have a better cover and who have connections with extremely few people working in law enforcement organs, have not yet completely been wiped out. It should be noted that not all localities achieved satisfactory results in carrying out the struggle. Leaders of some localities did not have sufficient understanding about the importance of the work. The masses were not fully mobilized. The propaganda work was not carried out satisfactorily. As a result, the "severe crackdown" struggle did not build up great momentum. Some localities failed to focus on key issues. They only made efforts to deal with common problems such as gambling and prostitution. Some criminal elements are still committing crimes despite our crackdown efforts. That is why major and notorious cases cropped up times and again.

Jiang Xingchang talked about his opinions regarding further carrying out the "severe crackdown" work. He emphatically said: For the next step, we should conscientiously carry out the Central Political and Legal Commission's "Notice Concerning Launching an Extensive Severe Crackdown Struggle." We should carry out the work with greater momentum and more effective measures. Meanwhile we should try to achieve

greater success in the "severe crackdown" struggle, improve the capability of grass-roots units in carrying out the overall consolidation of public security, and build the rank and file of political and legal personnel.

Also speaking at the meeting were Feng Jiacong, director of the Provincial Public Security Department;

He Zhanjun, chief procurator of the Provincial People's Procuratorate; Qiu Chuangjiao, president of the Provincial People's Court; and Yang Mingxi, director of the Provincial Justice Department.

**Taiwan: MOFA 'Welcomes' Prospect of More 'Private' Meetings**

OW1906094396 (Internet) Taiwan Central News Agency WWW in English 0846 GMT 19 Jun 96

[By Yen Ling-ju]

[FBIS Transcribed Text] Taipei, June 19 (CNA) — Responding to the White House's deputy national security adviser's remarks that there will continue to be direct, high-level and private meetings between Washington and Taipei officials, the ROC [Republic of China] Ministry of Foreign Affairs said Wednesday [19 June] that "We welcome and agree with" this idea.

Samuel R. Berger, who held a private meeting with Ding Mou-shih, secretary-general of the National Security Council of the ROC, in New York during the missile crisis in March, said Tuesday while giving a speech at the Woodrow Wilson International Center for Scholars in Washington that "whenever it's useful again, we'll do it again."

Officials of the MOFA said the ministry welcomes Berger's suggestion, adding that such meetings, held in a private, face-to-face and high-level manner, will be helpful to both the United States and the ROC in terms of promoting further understanding between each other and creating better communication channels for both sides.

One MOFA official also pointed that Berger's address showed that relationships between Taipei and Washington have always been in a "firm and stable" condition.

**Taiwan: Chinatrust-Brokered Syndicated Loan for Firm in U.S.**

OW1806112296 (Internet) Taiwan Central News Agency WWW in English 1058 GMT 18 Jun 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, June 18 (CNA) — Sixteen local and foreign banks will offer a syndicated loan to a Taiwan-owned company in the United States, the first of its kind ever arranged by Taipei-based Chinatrust Commercial Bank.

The consortium will jointly offer US\$75 million to Houston-based Continental Carbon Co., which Taiwan Cement Co. and China Synthetic Rubber Co. jointly bought from America's WITCO Group last year.

Chinatrust, Taiwan Cement and China Synthetic Rubber all belong to Koo's Group, one of Taiwan's largest business groups.

An agreement on the syndicated loan was signed in Taipei Tuesday by Continental Carbon Co. Chairman

Koo Cheng-yun, Chinatrust Commercial Bank President Lo Chin-ming and senior executives from other consortium members.

Koo said the deal will encourage more Taiwan enterprises to join forces with banking institutions to make inroads into overseas markets.

Continental Carbon Co. is the fourth largest carbon black manufacturer in the United States, commanding a 15 percent market share. It has production lines in Alabama, Oklahoma and Texas.

The syndicated loan will be used to purchase production equipment, expand operations and new carbon black production technology.

A US\$60 million part of the loan will mature in seven years, with its interest 0.65 percent higher than the London Interbank Offered Rate (LIBOR), while the remaining US\$1.5 million loan, carrying an interest rate of 0.75 percent higher than LIBOR, will mature in five years.

All of the consortium members are American banks or US branches of Taiwan, French, Canadian and Japanese banks, including the Los Angeles branches of Chinatrust Commercial Bank, Hua Nan Commercial Bank and Japan's Mitsubishi Trust Bank, and the New York branches of France's Credit Lyonnais, Japan's Dai-ichi Kangyo Bank and Taiwan's International Commercial Bank of China, First Commercial Bank and Chang Hwa Commercial Bank.

**\*Taiwan: Liu Tai-ying Discusses Cassidy's Efforts, Achievements**

96CM0227B Taipei HSIN HSIN WEN [THE JOURNALIST] in Chinese 17 Feb 96  
No 466, pp 68-69

[Article by Tan Shu-chen (6223 3219 3791): "Liu Tai-ying Is Going To Renew the Contract With Cassidy, Which Made Fruitful Lobbying Over the Past Two Years"]

[FBIS Translated Text] In June 1994, the Taiwan Integrated Research Institute headed by Liu Tai-ying, chairman of the Kuomintang [KMT] Party-Run Business Administrative Committee, signed a \$4.5 million, three-year contract with the U.S. Cassidy Public Relations Company. This contract resulted in Taiwan President Lee Teng-hui's revisit to the United States in the capacity of Cornell University alumnus. The second-year term of this contract between Cassidy and the Taiwan Integrated Research Institute will expire in June this year. According to Liu Tai-ying, the chance for this contract to carry over to its third-year term is more than 50 percent, because all jobs assigned to Cassidy in the United

States "have been progressing quite smoothly and are fruitful."

Liu Tai-ying said, the second-year term of the contract had nothing to do with "arranging for the president to visit abroad." However, he did not confirm whether the third-year term covers any assignment of this type. Sources concerned disclosed that after the presidential election in Taiwan, Cassidy is now lobbying and preparing for "the president's next visit abroad."

Lee Teng-hui, holding the title of Taiwan president, visited the United States in the capacity of Cornell University alumnus in 1995. This aroused criticism and a military threat from the CPC. It offended the U.S. State Department and other agencies of the executive branch as well, since Cassidy, said Liu Tai-ying, had adopted a strategy of inducing news media and lobbying the congress to pressure the executive branch into approving the visit. This was the only choice available under the circumstances at that time, Liu Tai-ying argued. After the visit, the Taiwan authorities offered in return some economic and trade benefits, such as the purchase of Alaska oil and Boeing airplanes, as a friendly gesture to please their U.S. counterpart. Nevertheless, the State Department and the executive branch's being offended is already a fait accompli. Against this background, Liu Tai-ying said, the main task for Cassidy to do in the second year is to "have better communication with the executive branch" and "lobby the State Department," with a view to improving the relations which had been soured.

Liu Tai-ying said that the very reason why Cassidy adopted the strategy of offending the State Department and the executive branch was because they knew that in a freedom-loving country like the United States, the general public and mass media will not tolerate any practice of "denying an alumnus from revisiting his Alma Mater." Cassidy in its calculation had anticipated a possible objection from the State Department. But Cassidy foresaw that after Lee Teng-hui's visit, those organizations which were unhappy with Lee's visit would possibly be well convinced by the same argument that "the United States is a freedom-loving country." So far, Liu Tai-ying said, we have been doing pretty well in this respect, "at least they have understood that we did not mean to make things difficult for them."

Of course, the purpose of spending \$1.5 million a year is not just to merely convey a single message to the State Department and the executive branch: "In fact we did not mean to hurt you at all!" In the second-year term, while trying to have better communication with the executive branch, Cassidy has been continuing to study the feasibility of a campaign for Taiwan's return

to the United Nations, providing information related to this effort, and lobbying the Congress and UN member states. At the same time, the Taiwan Integrated Research Institute on its part has been providing Cassidy with information about Taiwan's political and economic development, which Cassidy has in turn used to help the United States assess the process of democratization in Taiwan. Coverage of the parliamentary and presidential elections is also a part of the important political and economic information that the Taiwan Integrated Research Institute provides to Cassidy.

Liu Tai-ying said: "It is necessary to make Western countries understand that politics in Taiwan does not depend on power struggles alone, but also on the people's endorsement." He added: In fact, the speech Lee Teng-hui delivered during his visit to the United States already clearly showed this "fact" to Western countries. Therefore, the upgrading of Taiwan's political and economic standing and prestige abroad can be counted as one of the important achievements made by Cassidy under the three-year contract. But, as far as the upgrading of prestige is concerned, Cassidy has been acted as an "advisor" rather than as an executor.

When the Taiwan Integrated Research Institute was founded, one of its essential purposes was to promote exchange between the two shores of the Taiwan Strait in the field of science and technology. The institute is still doing this job at the moment. But, given the status quo of the relations between the two shores of the strait and Liu Tai-ying's role in the KMT, little progress can be done in this regard. Although the two areas of cooperation between Cassidy and the Taiwan Integrated Research Institute are to promote Taiwan-U.S. relations and to raise Taiwan's international standing, the first area and even the second depend to a very large extent on the CPC's attitude. Therefore, as far as the affairs between the two shores are concerned, while the Taiwan Integrated Research Institute is constantly working on it, Cassidy for its part is undertaking some research and information-gathering work.

The focus of this research and information-gathering work is placed on the interactive relations between Taiwan, the United States, and communist China, and on other countries' attitude toward Taiwan and their reaction to Taiwan's moves within the context of these interactive relations.

For this reason, the tension between the two shores of the Taiwan Strait as a consequence of Lee Teng-hui's visit to the United States has become a subject of policy study to be undertaken by Cassidy. In light of the information provided by Cassidy and from his own Beijing sources, Liu Tai-ying pointed out: the

two shores of the Taiwan Strait are now at a stage of "trial of strength." Even if Taiwan assumes a "weak" posture at this moment, the CPC will not scale down its offensive, "but will eventually eat us up," said Liu Tai-ying. According to Cassidy, Liu added, the higher Taiwan's international standing, the better position of strength we have in the "trial of strength" with the CPC, and the more the CPC fears us. Liu Tai-ying said: "If we have no power, they will simply ignore us!"

Liu Tai-ying personally holds that the "exchange of curses" across the Taiwan Strait is not a correct approach for both sides, whether a strong or weak posture is assumed by either side. However, he pointed out, according to Cassidy's information, the CPC authorities seem to have gradually understood that there is a need for "government-to-government" talks with Taiwan. They used to insist on "party-to-party" talks in the past. Liu Tai-ying believes this change indicates that Taiwan is gradually getting a better standing in the world. We are always ready and glad to discuss any affairs between the two shores, so long as they are to be dealt with on a "government-to-government" basis, Liu said.

The very purpose of the contract signed between the Taiwan Integrated Research Institute and Cassidy is to enable Lee Teng-hui to promote "substantive diplomacy" outside the official framework. Therefore, all important information supplied by Cassidy will reach Lee Teng-hui. This probably serves as another clue explaining why Lee Teng-hui has been slapping the CPC more and more sternly while the latter is launching military exercises.

#### **Taiwan: Police Crack CD-ROM Piracy Ring**

*OW1806142296 (Internet) Taiwan Central News Agency WWW in English 1406 GMT 18 Jun 96*

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, June 18 (CNA) — Police arrested five men and women in Taipei and Taichung on Monday and seized 24,300 copies of pirated CD-ROM software in Taiwan's largest ever crackdown on software piracy, the Investigation Bureau announced Tuesday.

If they were genuine, the 24,300 fake CD-ROMs would have a combined street value of about NT [new Taiwan] \$24 billion (US\$0.87 billion). The disks included aerospace industry software that is normally priced at NT\$6 million (US\$217,000) and pornography.

Police, working with bureau investigators, conducted separate raids of one software company in Taipei and another in the central Taiwan city of Taichung, and

busted a major source of pirated CD-ROMs known on the street as the "Big Tonic" ring.

The "Big Tonic" organization compiled several best-selling CD-ROM programs onto a single disk, allowing users access to a large amount of software at an extremely low price.

Lin Shan-hui, 27, who runs a software company on Pateh Road in Taipei, has allegedly been attracting buyers by advertising on a BBS and offering the disks for NT\$300 (US\$11) each. Lin's business turnover is estimated over NT\$3 million (US\$109,000) a month.

Chen Hsin-hung, 37, a sci-tech company owner in Taichung, admitted that he purchased "Big Tonic" CDs from Lin in large quantity and then sold the illegal disks at prices ranging from NT\$600 (US\$22) to NT\$1,200 (US\$44) per copy to ordinary customers.

In the raids, police confiscated 24,300 copies of CD-ROM software and nine different CD-ROM publishers, the equipment used to copy the programs.

The five were arrested on charges of violating intellectual property rights (IPR) and offenses against public morals.

Upon learning of the crackdown, representatives from leading software companies, including IBM, Autodesk, and Novell, faxed the Investigation Bureau to show their appreciation.

Chen Wen-chuan, executive secretary of the Information Products Anti-Piracy Alliance of the ROC [Republic of China], praised the crackdown, saying it will serve as a bargaining chip in Taiwan's next round of intellectual property rights protection talks with the United States government in October.

#### **Taiwan: Improved Cross-Strait Ties Predicted for 1997**

*OW1806161396 (Internet) Taiwan Central News Agency WWW in English 1524 GMT 18 Jun 96*

[By Maubo Chang]

[FBIS Transcribed Text] Taipei, June 18 (CNA) — Huang Wenfang, former deputy secretary-general with the XINHUA NEWS AGENCY's Hong Kong branch, predicted here on Tuesday [18 June] that 1997 will be a turning point in relations between Taipei and Beijing.

Huang, who retired from the XINHUA NEWS AGENCY in 1992, told a seminar that Beijing is now concentrating its efforts on its 15-year economic development plan, the success of which will require a peaceful situation around its borders and stable relations with Washington.

The former mouthpiece of Beijing believes that the Communist Chinese will try to get along with Taipei peacefully rather than jeopardize its own interests by clashing with Taiwan over the 15-year period of national development.

He said Beijing will devote its efforts to improving relations with Taipei in 1997, after mainland President Jiang Zemin consolidates his leadership at the 15th National Congress, due to take place before June next year.

He said the nine months of tensions between Taipei and Beijing, triggered by Beijing's series of military exercises in waters off Taiwan, finally slackened in April after Jiang said that a future-oriented policy is needed to develop relations across the Taiwan Strait.

However, Beijing has so far said nothing except that it will "wait and see" how ROC President Li Teng-hui implements the proposals he brought up in his inaugural address to improve ties with Beijing.

Huang said a more specific response from Beijing can be expected on July 1, when the Chinese Communist Party celebrates its 75th anniversary.

Given that Beijing is determined to prevent Taiwan from seeking independence and that Taiwan is reluctant to reunify with the mainland any time soon, the former Beijing propaganda official urged Taiwan to set up direct commercial, postal, and marine links with Mainland China. He said direct links should be the first phase in breaking the impasse in relations, while the two sides should maintain the current political status quo.

Citing Hong Kong as an example, he argued that the entry of mainland capital into Taiwan through direct trade will not endanger the stability of the local market. On the contrary, he said, the free flow of capital between Taiwan, Hong Kong, and Mainland China will serve the common interests of all three sides.

The second phase, according to Huang, should be a meeting between the heads of Taiwan's Straits Exchange Foundation and mainland China's Association for Relations Across the Taiwan Strait, the two semi-official organizations in charge of cross-strait affairs in the absence of official contacts.

The third and final phase should be the holding of negotiations for a peace treaty between the two sides, probably to happen in 30 to 50 years, Huang said.

Huang arrived here at the invitation of a local securities firm, but his rich knowledge of cross-strait relations put him in the spotlight at the seminar. Huang emphasized that his opinions do not reflect Beijing's official views.

#### **Taiwan: Interagency Discusses Proposal To Allow PRC People To Visit**

OW1806092896 (Internet) Taiwan Central News Agency WWW in English 0856 GMT 18 Jun 96

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, June 18 (CNA) — Participants in an interagency meeting proposed Monday [17 June] that the government lift the ban on mainland Chinese enterprises to invest in Taiwan, allow mainland Chinese people to visit here, and establish direct trade, postal, transportation links with Mainland China.

The meeting is part of the government campaign to upgrade international competitiveness of Taiwan.

The meeting, convened by the Council for Economic Planning and Development (CEPD), discussed various reforms on land, environmental protection, tax system, economic liberalization and internationalization, privatization, and cross-strait relations.

CEPD officials said that lifting travel and investment ban on mainland tourists and investors will show Taiwan's goodwill toward Mainland China people.

The officials noted that the two measures are not expected to bring economic benefits in the short term, because the impoverished mainland people would find Taiwan an expensive tourism destination. Similarly, the opening to mainland investors would not bring in large investments to Taiwan in the short time.

Participants in the meeting included Central Bank of China Governor Sheu Yuan-dong, Directorate General of Budget, Accounting, & Statistics Director Wei Tuan, the Council of Labor Affairs chairman Hsieh Shen-shan, the Department of Health Director-General Chang Po-ya and other officials.

#### **Taiwan: Lawmaker Calls For Greater International, Regional Role**

OW1906113396 (Internet) Taiwan Central News Agency WWW in English 0847 GMT 19 Jun 96

[By M.C. Chou and Flor Wang]

[FBIS Transcribed Text] Paris, June 18 (CNA) — Legislator Hsiao Wan-chang on Tuesday [18 June] called for greater international role for the Republic of China [ROC], saying that both Taiwan and Mainland China should enjoy the same right in joining international organizations.

Citing former East and West Germanys and North and South Korea as examples, Hsiao said Taiwan should be allowed to join more international and regional

organizations in order to ensure its continued existence and progress.

Speaking at a seminar on the prospects of cross-strait relations attended by more than 30 Taiwan and French China hands, Hsiao told the audience that Taiwan has never stopped its efforts in pursuing China's unification.

The major obstacle in cross-strait problems, Hsiao said, is Beijing's hegemonistic mentality and its reluctance to recognize the existence of the ROC.

Beijing's accusation that Taiwan is seeking independence and its military exercises and missile tests off Taiwan last March were a reflection of its fear of democracy and lack of confidence to deal with the new situation across the Taiwan Strait, Hsiao said.

In a bid to ensure continued development on both sides of the Taiwan Strait, Hsiao said Taiwan will continue to promote peaceful cross-strait exchanges based on reciprocity and mutual trust. The signing of a peace accord aimed at ending hostility between the two sides will benefit both Taiwan and Mainland China, he said.

Hsiao, a veteran trade official who had served as minister of economic affairs for many years, also had headed the Mainland Affairs Council, Taiwan's highest agency in charge of mainland affairs, for more than a year before becoming a lawmaker.

#### **Taiwan: Li Plans National Meeting on Reform, Mainland Policy**

*OW1806154096 (Internet) Taiwan Central News Agency WWW in English 1459 GMT 18 Jun 96*

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, June 18 (CNA) — President Li Teng-hui told a group of opposition National Assembly deputies on Tuesday [18 June] that he is planning to convene an inter-party meeting in September to chart the course of constitutional and political reforms, as well as mainland affairs policies.

"The purpose of the meeting is to pool wisdom and seek a consensus on the direction of national development, foreign affairs, ties with the mainland, and a number of internal affairs," Tsai Jen-chien, convenor of the Democratic Progressive Party's [DPP's] caucus at the National Assembly, said after meeting with Li.

Tsai said Li himself raised the proposal during the hour-long meeting, which was also attended by DPP deputies Chen Yi-shen, Tsai Chi-fang, Tsai Hsin-teh, Chen Wan-chen, and Chen Chin-teh.

Li first brought up the proposal when he delivered his inaugural address on May-20, hinting in the speech that the meeting would be held sometime in July.

Tsai quoted Li as suggesting that a special committee be set up at the National Assembly to work on the uphill task of amending the Constitution.

Li said cooperation and coordination between the ruling party and the opposition parties are indispensable if the National Assembly hopes to push for constitutional reforms. "It is nearly impossible to ask any single party to conduct the difficult task," Lee said, referring to the fact that the KMT [Kuomintang] holds only 183 seats in the 334-seat National Assembly.

Li did not respond to the DPP deputies' proposal that Li step in to help tackle the ongoing constitutional crises regarding the renomination of the Premier and the scrapping of Taiwan's fourth nuclear power plant project.

Li also seized the occasion to tell his guests from the pro-independence party that the Republic of China [ROC] is already a sovereign state. As he did in his inaugural address, Li emphasized that the two sides of the Taiwan Strait do not differ in their race and culture, but only in their systems and living styles.

Li shrugged off criticism by Beijing and some people here that he has been secretly pushing for an independent Taiwan. "The accusations are incorrect," Li said.

#### **Taiwan: Trade Board To Sign Patent, Trademark Agreement With EU**

*OW2006102796 (Internet) Taiwan Central News Agency WWW in English 0801 GMT 20 Jun 96*

[By Tzou Ming-jhie & Elizabeth Hsu]

[FBIS Transcribed Text] Paris, June 19 (CNA) — The Republic of China [ROC] will sign a patent and trademark protection agreement with the 15-member European Union to boost bilateral trade, Lin Yi-fu, director general of the ROC's Board of Foreign Trade, said here Wednesday [19 June] at a seminar on ROC-France economic cooperation.

Lin noted that the ROC government has followed the trade regulations of the World Trade Organization, enacting laws to protect intellectual property rights of both domestic and foreign companies and individuals.

The ROC has reached agreements with its major trade partners around the world to protect all legally registered patents and trademarks, Lin said.

Meanwhile, Lin told French business executives present at the seminar that since France has advanced technology in environmental protection, transportation and communications industries, it should actively tap the Taiwan market.

French companies are also welcome to form strategic alliances with their Taiwan counterparts to make inroads into Asia-Pacific markets, Lin said.

**Taiwan: New Representative to Canada Vows To 'Further Upgrade' Ties**

OW1906102796 (Internet) Taiwan Central News Agency WWW in English 0847 GMT 19 Jun 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, June 19 (CNA) — New ROC Representative to Canada Fang Chin-yen said Wednesday [19 June] he will do his utmost to further upgrade relations between Taiwan and Canada after assuming his post early next month.

Fielding questions at a meeting of the Legislative Yuan's Foreign and Overseas Chinese Affairs Committee, Fang said Canada is a country whose friendship is worth of Taiwan's pursuit because the two countries share the same ideal of promoting freedom, democracy, human rights and the rule of law.

Moreover, Fang said, Canada has rich natural resources and advanced industrial technology, and its economic structure and free market system are similar to Taiwan's.

Against this background, Fang said he is convinced that strengthening economic cooperation with Canada will be conducive to the ROC government's ambitious plan to develop Taiwan into an Asia-Pacific business hub.

"We'll continue to promote trade, investment and technological exchanges with Canada", said this career diplomat who just ended his tenure as vice political minister of foreign affairs.

Despite the absence of diplomatic ties, Fang said, substantive relations between Taiwan and Canada have improved greatly over the past five years. The two countries have swapped representative offices, established direct airlinks, granted diplomatic privileges to representative office staff and exchanged high-level visits.

When Mainland China conducted a series of intimidating military exercises at Taiwan's doorstep in March in the run-up to Taiwan's first-ever direct presidential election, the Canadian government and people had voiced loud support for Taiwan.

Fang said he believes that Taiwan's democratic achievements will have positive effect on future development of ROC-Canadian relations.

Nevertheless, Fang admitted that there are obstacles to further strengthening of bilateral ties, particularly Beijing's boycott.

After assuming his new post, Fang said he will urge the Canadian authorities to deal with Taiwan and Mainland China separately to avoid entangling their relations with the two sides of the Taiwan Strait.

"If Canada can do so, there should much greater room for Taipei and Ottawa to cooperate," noted Fang, who one served as the ROC de facto ambassador Britain.

Fang added he hopes the "Maersk Dubai" case can be resolved satisfactorily in the near future to avoid affecting ROC-Canadian relations.

The case refers to a high seas murder charge in which seven Taiwanese crewmen of the Taiwan-owned cargo ship "Maersk Dubai" were accused by their eight Filipino colleagues of having tossed three Romanian stowaways overboard into the North Atlantic. The seven Taiwanese crew members, including captain Cheng Hsiou, are being detained in the Canadian port city of Halifax. The ROC claims legal jurisdiction over the case because the alleged crime occurred on the high seas and involves its citizens.

**Taiwan: Delegation To Hold WTO Talks in Geneva With Five Countries**

OW1906235496 (Internet) Taiwan Central News Agency WWW in English 1428 GMT 19 Jun 96

[By Lin Wen-fen]

[FBIS Transcribed Text] Geneva, June 18 (CNA) — A ROC [Republic of China] trade delegation will arrive in Geneva in late June to begin bilateral talks with five countries on its accession to the World Trade Organization (WTO).

Lin Yi-fu, director-general of the Board of Foreign Trade (BOFT), will lead a 10-member delegation to hold talks in Geneva with Mexico, Colombia, Uruguay, Argentina, and Switzerland from June 24-26. Negotiations will focus on issues related to agricultural and industrial tariffs and agricultural quarantine.

Taiwan has already met several times with these five WTO members on its WTO entry terms, and is expected to reach agreement during this latest round of talks.

In its bid to join the Geneva-based world trade regulatory body, Taiwan has held over 100 rounds of talks

with 26 contracting parties and reached agreement with seven countries on its WTO entry terms.

Taiwan expects to reach agreement with 26 WTO members by year-end. If everything goes smoothly, Taiwan will become a full member of WTO by the end of 1997.

**Taiwan: CPC, Qatar Strike Deal on Petroleum Additives Investment**

OW1906111096 (Internet) Taiwan Central News Agency WWW in English 0847 GMT 19 Jun 96

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, June 19 (CNA) — The state-run Chinese Petroleum Corp. (CPC) has struck a deal to invest in petroleum additives plants in Qatar, CPC Vice President Pan Wen-yen said Wednesday [19 June].

The US\$600 million investment project will be participated by the CPC, Taiwan's Li Chang-yung Chemical Industry Corp., Canada's IOL company, and Qatar General Petroleum Co.

Pan said CPC will hold a 20 percent stake in the investment project, Li Chang-yung and IOL each 15 percent, and the remaining 50 percent will be controlled by the Qatar state-owned company. Qatar is the largest producer of natural gas in the world, he added.

The plants will begin construction in September and start production in January 1999, Pan said. He added that the plants will produce 600,000 tons of methanol and 800,000 tons of methyl tertiary butyl ether (MTBE) annually.

**Taiwan: Petroleum Corporation Considers Cooperation With Iraq**

OW2006001496 (Internet) Taiwan Central News Agency WWW in English 1449 GMT 19 Jun 96

[By Maubo Chang]

[FBIS Transcribed Text] Taipei, June 19 (CNA) — The Chinese Petroleum Corporation (CPC) is considering diversifying its oil sources by cooperating with Iraq in the exploration of Iraqi oil fields.

A CPC executive said that Iraq, with the world's second largest oil reserves after only Saudi Arabia, is suffering under an international oil embargo for sparking the Gulf War six years ago.

He said the CPC has sent a team there to gauge the possibility of cooperation between the two countries.

Iraq has reportedly set a donation of U.S.\$50 million in food and medication as a prerequisite for a joint venture

in exploring its oil. The CPC has offered to buy Iraqi oil, once the United Nations lifts its oil embargo, in exchange for cooperation with Iraq in drilling a well with reserves of at least 1 billion barrels of crude oil.

Several Western countries are also interested in cooperating with Iraq, but no drilling can begin before the United Nations lifts its sanctions.

Besides Iraq, the CPC is also exploring the possibility of working together with Iran and Yemen in oil exploration, although no deal is on the horizon.

The CPC has so far engaged in 12 overseas oil exploration projects in eight countries — the United States, Ecuador, Colombia, Indonesia, Malaysia, Vietnam, Myanmar [Burma], and Kazakhstan.

Through these overseas projects, the CPC aims to raise its proportion of self-produced crude oil to 10 percent of its total oil sources within two or three years.

**Taiwan: CPC To Invest \$35 Million in Vietnam Synthetic Oil Plants**

OW1906115796 (Internet) Taiwan Central News Agency WWW in English 0847 GMT 19 Jun 96

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, June 19 (CNA) — The state-run Chinese Petroleum Corp. (CPC) will invest US\$35 million to build synthetic oil plants this year in central Vietnam, a CPC executive said Wednesday [19 June].

Under the investment project, the CPC will build wharfs, storage troughs, and other related equipment in Can Tho City to produce liquefied petroleum gas (LPG), lubricating oil, and asphalt.

The CPC has invested US\$16 million to set up LPG plants in Haiphong, northern Vietnam in 1994 and co-operated with foreign companies to establish a refinery there.

Last year, the CPC again invested US\$15 million to establish solvent oil plants in Ho Chi Minh City, southern Vietnam, the executive said.

The 1996 investment project has made the CPC to possess footholds in northern, central, and southern Vietnam, the CPC official said.

**Taiwan: Presidential Office Regrets Cabinet Boycott by Legislature**

OW1906134296 (Internet) Taiwan Central News Agency WWW in English 1329 GMT 19 Jun 96

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, June 19 (CNA) — The Presidential Office issued a written statement on Wednesday [19 June] expressing regret over the legislature's passage of a resolution earlier this month asking the President to renominate the Premier.

"The Presidential Office deeply regrets the resolution, even though it is non-binding to the President," the statement said.

It also called on the different political parties to step up communications and enhance the efficiency of the Legislative Yuan, which Presidential Secretary-General Wu Poh-hsiung called "the first step" in defusing the stand-off between the legislative and executive branches.

The statement came a week after the Legislative Yuan passed a proposal calling for President Li Teng-hui to rename the Premier so that lawmakers could exercise their right of consent as stipulated by the Constitution of the Republic of China [ROC].

The dispute occurred after Li asked Vice President Lien Chan to stay on as Premier during a Cabinet reshuffle late last month. The move triggered an uproar among opposition legislators and a group of disgruntled KMT [Kuomintang] lawmakers, who claimed that their rights were not respected.

The presidential statement, however, insisted that Lien's retention as Premier was not another appointment requiring majority approval in the Legislative Yuan.

As a matter of fact, the statement said, the legislature was paid its due respect when the legislature approved Lien as Premier on Feb. 1. "The Cabinet shakeup did not violate the Constitution at all," the statement said.

The statement recommended that the constitutional dispute be submitted to the Council of Grand Justices for resolution.

In line with the recommendation, Legislator Tseng Yung-chuan, a KMT party whip in the Legislative Yuan, swiftly called on opposition parties to stop their boycotts on the legislative floor and resume negotiations.

"Trading shouts and fist fights by no means reflects public opinion, and boycotts are not an appropriate way to counter (the case)," Tseng said.

He said the KMT caucus at the Legislative Yuan plans to request the Council of Grand Justices to interpret the constitutional dispute within a week.

The statement, meant to appease the opposition parties, has received a backlash, though. Legislator Yen Chin-fu, the Democratic Progressive Party's legislative whip, while expressing disappointment on hearing the statement, said Li's offer shows that the legislature means nothing to him.

As the head of state, Li should respect the Constitution and the Legislative Yuan's resolution, Yen said. He said Li's response to the legislative move was "tantamount to a slap in the face of lawmakers."

Snubbing the statement, Yen said he does not rule out the possibility of taking to the Taipei streets and continuing to boycott the screening of bills if Li does not respond favorably soon.

Yok Mu-ming, convenor of the New Party caucus in the Legislative Yuan, was also cool to the statement, saying the Presidential Office's response ducked the focus of the dispute and came as no surprise to him whatsoever.

**Taiwan: President Li Teng-hui Swears in Group of Senior Officials**

OW1706144296 (Internet) Taiwan Central News Agency WWW in English 1345 GMT 17 Jun 96

[By Maubo Chang]

[FBIS Transcribed Text] Taipei, June 17 (CNA) — President Li Teng-hui swore in a dozen newly appointed senior officials, mostly vice ministers, at the Presidential Office on Monday [17 June].

They were the chairman and vice chairman of the Public Employee Protection and Training Committee, Lin Chi-yuan and Chu Wu-hsian; Vice Foreign Minister Chen Chien-jen; Vice Finance Minister Yen Ching-chang; Vice Economics Minister Chang Chang-pang; Vice Transportation and Communications Minister Hsiu Chieh-kuei; vice ministers of the Overseas Chinese Affairs Commission, Ke Wei-hsin and Hung Tung-kuei; vice chairman of the Council for Economic Planning and Development, Liu Yu-shan; vice chairman of the National Science Council, Tsai Ching-yen; and vice chairmen of the Mainland Affairs Council, Lin Chung-pin and Hsu Hui-you.

They took their oaths of office in front of the ROC [Republic of China] national flag and a portrait of national founder Dr. Sun Yet-sen while President Lee, Premier Lien Chan, and other central and local government senior officials looked on.

**Taiwan: Navy To Beef Up Antisubmarine Capabilities**

OW2006092196 (Internet) Taiwan Central News  
Agency WWW in English 0820 GMT 20 Jun 96

[By Sofia Wu]

[FBIS Transcribed Text] Kaohsiung, June 20 (CNA) — The ROC [Republic of China] Navy will reinforce its anti-submarine capabilities to counter activities of Mainland Chinese submarines in waters near Taiwan, military sources said Thursday [20 June].

ROC naval fleets have many times detected Mainland Chinese submarines stalking beneath waters off southern and eastern Taiwan coasts, the sources said.

To cope with the situation, the sources said, the Navy has set up an anti-submarine command at its base in southern Taiwan to direct anti-submarine operations at the Tsoying Naval Base and the Pingtung Air Base.

Meanwhile, the sources said, the Navy plans to set up an additional anti-submarine command in eastern Taiwan because mainland submarines are particularly active in waters off eastern Taiwan.

The new command will be headed by a vice admiral, the sources said, adding that in the past, the anti-submarine commanding officer was usually a captain.

The command will integrate all anti-submarine combat systems in eastern Taiwan to enhance operational efficiency, the sources said.

Under its "second-generation warship" development program, the ROC Navy's anti-submarine capabilities have improved greatly in recent years.

The Navy has already commissioned four Cheng Kung-class missile frigates, which are modeled on the US-built Perry-class frigates. It will eventually have seven such warships built by the state-owned China Shipbuilding Corp.

The Navy earlier this year took delivery of the first of six Lafayette-class frigates it ordered from France in a US\$4.8 billion deal struck in 1990. Three more such frigates are expected to join service before the end of 1997.

Three Knox-class frigates leased from the United States have also joined the naval fleet and three more will come soon. The 4,200-ton frigates, noted for their superb submarine detection capability, are equipped with three types of sophisticated sonar systems, and advanced weapon systems such as Harpoon missiles and the MK-15 Phalanx weapons system.

In addition, the Navy has an Italian-built ocean survey ship to assist in oceanographic study, particularly seabed structure, currents and resources in waters surrounding Taiwan.

**Taiwan: SEC, Thai Counterpart Agree To Strengthen Economic Ties**

OW1906103596 (Internet) Taiwan Central News  
Agency WWW in English 0846 GMT 19 Jun 96

[By Elizabeth Hsu]

[FBIS Transcribed Text] Taipei, June 19 (CNA) — Taiwan's Securities and Exchange Commission (SEC) and its Thailand counterpart signed on Tuesday [18 June] a memorandum of understanding on the exchange of securities and futures information to boost cooperation of the two countries.

Meanwhile, in the newly concluded International Organization of Securities Commissions Asia-Pacific Regional Committee (IOSCO-APRC) meeting, delegates from 12 Asia-Pacific countries and areas agreed to set up a task force to study the regional monitoring system in the Asia-Pacific securities and futures markets.

The task force will be organized by the delegates from Taiwan, Hong Kong, Australia, Malaysia and Thailand.

The two-day IOSCO-APRC meeting, opened in Taipei Monday, has discussed the issues on development of futures markets in the Asia-Pacific and cooperation among securities and futures regulatory organizations in the region.

The meeting also decided the next Asia-Pacific regulation enforcement conference to be held in Beijing in late April or early May of 1997.

**Taiwan: Legislative Yuan Approves ADB Donation**

OW1806153996 (Internet) Taiwan Central News  
Agency WWW in English 1459 GMT 18 Jun 96

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, June 18 (CNA) — The Legislative Yuan on Tuesday [18 June] approved a US\$4.60 million donation to the Asian Development Bank (ADB) to support its fourth capital increment.

Taiwan will make its contribution in a series of four payments over four years beginning with its first purchase of 385 shares in fiscal 1996, which ends in June. Taiwan will purchase a 0.933 percent stake, or 19,270 ADB shares, in the fourth wave capital increase, according to Central Bank of China (CBC) officials.

Payment for the remaining 18,885 shares will be made in later years when the ADB informs Taiwan that it is necessary, the CBC officials noted.

The ADB is the only international financial institution of which both Taiwan and Mainland China are members.

CBC officials believe that the donation will help Taiwan strengthen bilateral relations with the ADB. As a result, the regional bank may increase its employment of Taiwan staff, issue more New Taiwan dollar-denominated bonds, hold more ADB meetings in Taiwan, and invite more Taiwan banking officials to the ADB for training, they added.

**Taiwan: KMT Nominates NA Speaker, Deputy Speaker Candidates**

OW1906110896 (Internet) Taiwan Central News Agency WWW in English 0847 GMT 19 Jun 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, June 19 (CNA) — The ruling Kuomintang's [KMT] decision-making Central Standing Committee Wednesday [19 June] approved a proposal to nominate Chien Fu, the party's number one ex-officio member of the third National Assembly (NA), to vie for the body's top leadership post.

The committee also decided at its weekly meeting to nominate Hsieh Lung-sheng, the KMT's longtime whip in the National Assembly, as Chien's running mate.

Chien, a veteran career diplomat who just ended his service as foreign minister, said he felt honored to have the opportunity to team up with Hsieh to run in the NA's leadership election.

"If I can win the election, I'll do my utmost to strengthen communication and consultations with opposition and nonpartisan NA members," Chien said, adding that although he is a loyal KMT member, he will maintain neutrality and impartiality in chairing NA meetings after being elected the speaker.

Hsieh, 55, made a similar pledge, saying he won't be an NA deputy speaker of the KMT, but a deputy speaker of all NA members. "If I'm elected deputy speaker, I'll abide by the fair and just principles in arranging meeting schedules and agenda, and act as a go-between to help bridge differences between the ruling and opposition parties," he stressed.

After the KMT Central Standing Committee meeting, Chien and Hsieh met with senior officials and NA caucus members of two major opposition parties — the pro-independence Democratic Progressive Party (DPP) and the pro-unification New Party — to seek their support.

This will be the first time that the National Assembly, whose main function is to amend the ROC's constitution, will install a speaker and a deputy speaker.

The third National Assembly, elected on March 23 simultaneously with the ninth presidential and vice presidential election, will hold its first plenary meeting starting July 4.

The session will last at least 40 days, during which the 334 NA members will elect from among themselves a speaker and a deputy speaker and exercise the power of consent on the appointment of new heads of the Examination Yuan and the Control Yuan in addition to discussing the feasibility of further amending the ROC's constitution.

**Taiwan: Full Financial Liberalization Expected by 2000**

OW1706115996 (Internet) Taiwan Central News Agency WWW in English 1022 GMT 17 Jun 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, June 17 (CNA) — The Republic of China [ROC] is set to achieve full financial liberalization by the year 2000, Vice President and Premier Lien Chan said Monday.

Addressing a joint opening session of three international financial meetings being held here, Lien said Taiwan will end all restrictions on inward and outward capital flow by the turn of the century since unfettered capital movement is imperative to the success of its "financial center" initiative.

Lien said although there are already several financial centers in Asia, such as Tokyo, Hong Kong and Singapore, the ROC government is still determined to develop Taipei into a regional financial hub by emphasizing capital funding and asset management.

To realize this ambitious goal, Lien said Taiwan needs to upgrade the efficiency and transparency of its financial system. "The existing reviewing system will be replaced by a customer-oriented reporting system," he noted.

Lien further said Taiwan will enlarge the depth and breadth of its capital market. "We'll expand our equity market, streamline our bond market and establish a full-fledged futures market."

To enlarge Taiwan's stock market, Lien said, Taiwan will bring all relevant rules and regulations in line with international standards and norms. "We'll lower funding costs and promote investment protection," he said, adding that the goal is to raise its capital amount to

30 percent of Taiwan's gross domestic product (GDP) by the year 2000, compared to the 19 percent of the present.

To integrate its market with those of the region, Lien said, Taiwan will make cross-market listing accessible to both nationals and foreigners. "This will allow a firm to choose the best time and place to issue debt or stock."

The premier continued that Taiwan plans to regularly issue more varieties of bonds with different maturities so that market interest rate indicators can be established. Moreover, a centralized system for bond trading will be set up, and a credit-rating agency will be inaugurated within the next year. "Consequently, the bond market should grow three-fold by the end of the year 2000."

To offer more risk-hedging tools, Lien said, Taiwan will open a domestic futures market by mid-1997.

While striving for globalization of its financial market, Lien said, Taiwan has also been adopting a more flexible way to promote financial exchanges with the other side of the Taiwan Strait. For instance, starting next month,

local securities firms may establish subsidiaries, invest in securities, and deal in brokerage and underwriting businesses on the Chinese mainland.

Lien pointed out that Taiwan has reached the last stage of development in which the service sector and financial sector in particular are leading economic growth. The service industry all together accounted for 60 percent of Taiwan's GDP last year, of which 21 percent of GDP, was attributed to the financial industry. It is hard to believe that the corresponding figure was 13 percent in 1985.

The three international financial meetings which opened simultaneously at Grand Hyatt Hotel on Monday were the 1996 Asian Securities Industry Institute annual conference, the International Organization of Securities Commissions (IOSCO) Asia-Pacific Regional Committee meeting, and the Emerging Markets Workshop of the Federation Internationale des Bourses de Valeurs (FIBV).

## Hong Kong

### Hong Kong: XINHUA Reports on Vietnamese Migrants' Repatriation

OW1806121596 Beijing XINHUA in English  
1208 GMT 18 Jun 96

[FBIS Transcribed Text] Hong Kong, June 18 (XINHUA) — A group of 202 Vietnamese migrants left Hong Kong today for Hanoi on an arranged flight under the Orderly Repatriation Program (ORP).

The returnees, including 75 children, arrived in Hong Kong as early as 1989.

The latest departure brought to 3,638 the total number repatriated on the ORP flights since November 1991.

### Hong Kong: Official Notes Hong Kong Serves as Model for Taiwan

OW1806111196 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0833 GMT 16 Jun 96

[By reporter Shi Qingbin (2457 3237 1755)]

[FBIS Translated Text] Hong Kong, 16 Jun (ZTS) — Shao Shanbo, Hong Kong Special Administrative Region [HKSAR] Preparatory Committee deputy secretary general and One China and Two Systems Economic Research Center secretary general, pointed out: Hong Kong will undergo a smooth transition a year from now. The principle of "one country, two systems" resembles a "model house," and its implementation in Hong Kong will have an important effect on the solution of the Taiwan issue.

In an interview with this reporter, Shao Shanbo said: An important message will be sent to Taiwan if Hong Kong implements the principle of "one country, two systems" with "the people of Hong Kong governing Hong Kong," maintains its current system and way of life, and enjoys sustained economic development in the three to five years after 1997.

He pointed out: We guarantee the implementation of the principle of "one country, two systems" in Hong Kong. This is beneficial to both the Chinese Mainland and Hong Kong. A large proportion of foreign capital in China comes from Hong Kong. Hong Kong business people have moved from developing real estate and setting up hotels on the mainland to investing in electric power plants, highways, and other large infrastructure projects. Maintaining Hong Kong's capitalist system and stable economic development is very important for the Chinese Mainland's economic development.

Shao Shanbo stated: The One Country, Two Systems Economic Research Center is a nongovernmental organization. Currently focusing on issues between the

Chinese Mainland and Hong Kong, the research center hopes to study issues between Hong Kong and Taiwan within the context of the former after the transition period is over.

He pointed out: Hong Kong's reversion in 1997 is only a year or so away. The preparatory committee will be very busy over the next six months setting up a 400-member HKSAR selection committee, electing the chief executive, and forming a provisional legislative council. Hong Kong's reversion to the motherland in 1997 is the trend of the times.

Shao Shanbo maintained: As its macroeconomic regulation and control gradually begin to show results, the Chinese Mainland will relax control on some economic projects over the next six months. Another positive factor is the return of some funds from abroad to Hong Kong markets. These are conducive to Hong Kong's economic development. Hong Kong's economic prospects over the next few years are good.

### Hong Kong: Reasons for Stationing of Troops in Hong Kong After 1997

OW2006083996 Beijing XINHUA Domestic Service in Chinese 0118 GMT 20 Jun 96

[FBIS Translated Text] Beijing, 20 Jun (XINHUA) — Why does the central people's government want to station troops in Hong Kong after 1997?

The central people's government has decided to station troops in Hong Kong after 1997. This is to realize state sovereignty and is needed to safeguard the motherland's unification and security and to protect state territory. This is the sacred duty bestowed by the Constitution to the Chinese People's Liberation Army [PLA]. Comrade Deng Xiaoping has said: "Except for stationing troops in Hong Kong, what else can embody that China is exercising sovereignty over Hong Kong?"

In accordance with the Hong Kong Basic Law, the main task of the troops stationed in the Hong Kong Special Administrative Region [HKSAR] by the central people's government is: to be responsible for the defense of the HKSAR. The Basic Law also stipulates that the troops stationed by the central people's government in the HKSAR to be responsible for defense purposes will not interfere in local affairs of the HKSAR. When necessary, the HKSAR Government may submit a request to the central people's government asking for the assistance of the troops stationed in the HKSAR to safeguard public security and provide disaster relief.

The troops stationed in Hong Kong and the HKSAR Government will neither be subordinate to each other nor interfere in each other's affairs. The PLA troops

stationed in Hong Kong, subordinate to the PRC Central Military Commission, will specifically carry out the mission of defending the HKSAR. After 1997, the central people's government will be responsible for the expenses of stationing troops in Hong Kong. The people of Hong Kong will not have to pay for the military expenses. Of course, the troops to be stationed in Hong Kong to carry out defense missions need full and effective logistic support [chong fen you xiao di bao zhang 0339 0433 2589 2400 4104 0202 7140]. Not only should the support be provided by the central government and the troops themselves, but the HKSAR should also provide necessary support.

The troops stationed in Hong Kong will strictly abide by law and strengthen military management. Garrison members will not only abide by national laws but also by HKSAR laws. In addition, some rules and regulations will be formulated for the garrison troops on the basis of the Hong Kong Basic Law and other relevant laws and in light of Hong Kong's actual conditions and the characteristics of the garrison troops. When garrison members violate laws and discipline, they will be handled according to relevant laws and military ordinances and regulations.

On 28 January 1996, the State Council and the Central Military Commission issued a notice announcing the completion of the organization of the PLA unit to be stationed in Hong Kong. The unit is composed of members of the land, sea, and air forces. Bearing the great trust placed in it by the motherland and the people, the unit will be garrisoned in Hong Kong at 0000 hours on 1 July 1997.

#### **Hong Kong: Need To Publicize Hong Kong Basic Law in Mainland Explained**

*OW2006082096 Beijing XINHUA Domestic Service in Chinese 0312 GMT 17 Jun 96*

["Question and Answer on the Hong Kong Basic Law: Why Is It Necessary To Publicize the Hong Kong Basic Law in the Mainland?" — XINHUA headline]

[FBIS Translated Text] Beijing, 17 Jun (XINHUA) — Why is it necessary to publicize the Hong Kong Basic Law in the mainland?

The Hong Kong Basic Law is an important law of the People's Republic of China, which was formulated in accordance with the PRC constitution and approved and promulgated by the National People's Congress. The law codifies a series of principles and policies to be implemented by the Chinese Government in Hong Kong, such as "one country, two systems," "Hong Kong people governing Hong Kong," and "a high degree of autonomy." The law not only embodies the will and

interests of all Chinese people but also regulates the conduct of Hong Kong residents after 1 July 1997. Therefore, we may as well say that only after Hong Kong residents acquaint themselves with the Basic Law will they be able to know Hong Kong after 1997; and only after Hong Kong residents have a good understanding of the Basic Law will they be able to put their futures into their own hands.

Studying, understanding, and having a good grasp of the Basic Law is as important to the people in the mainland as it is to the residents of Hong Kong. There are many provisions in the Basic Law that compatriots in the mainland are also concerned about and need to understand. Here are some examples: Why is it necessary to retain the existing capitalist system after colonial rule is ended in Hong Kong? Who will govern Hong Kong after 1997, the people of Hong Kong or people sent from the mainland? Can provinces and municipalities set up offices in Hong Kong at will after its reverted to the motherland? Can compatriots from the mainland visit Hong Kong as they visit Guangzhou and Shenzhen? Should residents from the mainland observe the law in Hong Kong when they sightsee, visit relatives, or conduct businesses there?

Without a good knowledge of the Hong Kong Basic Law, it is impossible to understand Hong Kong's future role and status; its relations with various central departments and all provinces, municipalities, and autonomous regions; and how to carry out contacts and exchanges with Hong Kong. Therefore, it is also necessary to acquaint mainland residents with the Hong Kong Basic Law so that they will understand and do things according to the Basic Law.

#### **Hong Kong: Project To Educate Guangdong Officials, Public on Basic Law**

*HK1906080696 Hong Kong HONGKONG STANDARD in English 19 Jun 96 p 4*

[By Linda Lee]

[PTS Transcribed Text for FBIS] Guangdong has launched a project to educate officials and the public about the Basic Law — Hong Kong's post-handover mini-constitution.

Government officials are attending special courses while promotional programs are being held to promote knowledge of the Basic Law in the community.

Officials from government departments that have close interaction with Hong Kong started about the Basic Law a year ago.

The head of the Propaganda Department of Guangzhou Municipal Government, Zhu Xiaodan, said the policy of "one country, two systems" was the focus of the courses.

"The courses alert them that the Hong Kong Special Administrative Region will not be the same as Guangzhou or Shenzhen," he said.

"They shouldn't expect that the way things work in the mainland will work in Hong Kong."

For example, Mr Zhu said a series of Basic Law training courses was included in compulsory basic vocational training for Customs officers.

"The Guangzhou citizens are interested in the Basic Law, particularly the parts relevant to them, like freedom of immigration and emigration," he said.

Mr Zhu was leading a 43-strong delegation to Hong Kong for a television promotion of the Basic Law.

The convenor of the Joint Committee for the Promotion of the Basic Law of Hong Kong, Ko Siu-wah, said the committee was speeding up its promotional work with less than 400 days until the handover.

#### **Hong Kong: Relationship Between Central Government, HKSAR Explained**

OW2006100496 Beijing XINHUA Domestic Service  
in Chinese 0830 GMT 19 Jun 96

["Question and Answer on the Hong Kong Basic Law: What Is the Relationship Between the Central Government and the HKSAR?" — XINHUA headline]

[FBIS Translated Text] Beijing, 17 Jun (XINHUA) — **What Is the Relationship between the Central Government and the Hong Kong Special Administrative Region [HKSAR]?**

According to the provisions in the Hong Kong Basic Law, the HKSAR is a local administrative region with a high degree of autonomy in China; and it is under the direct jurisdiction of the central people's government. We may as well say that the HKSAR's legal status defines the scope of its functions and forms the foundation of its relations with the central government.

The HKSAR is a local administrative region because it is a form of government adopted in China. The HKSAR is "special" because it enjoys a high degree of autonomy, as authorized by the National People's Congress [NPC]. The HKSAR is under the direct jurisdiction of the central government explains the fact that the HKSAR is at the same level as provinces, autonomous regions, and municipalities; that is, the highest level of local administrative regions. These provisions embody the

principle of national unification and state sovereignty, as well as provide an important guarantee for the HKSAR to exercise a high degree of autonomy.

The Hong Kong Basic Law stipulates in explicit terms powers exercised and affairs administered by the central government. Generally speaking, the central government will exercise powers over the HKSAR in the following areas: administering foreign affairs related to the HKSAR; administering the defense of the HKSAR; appointing the administrative executive and other leading officials; making decisions on declaring a state of emergency in the HKSAR; interpreting the Basic Law; and revising the Basic Law. These powers are within the limits absolutely required by state sovereignty and national unification.

The HKSAR enjoys extensive autonomy, including administrative, legislative, and independent judicial powers and the power of final adjudication; the central people's government authorizes the HKSAR the power to deal with its foreign affairs according to the Basic Law; and the HKSAR also enjoys other powers authorized by the NPC and its Standing Committee and the central people's government. This high degree of autonomy for the HKSAR is unprecedented.

To properly handle the relationship between the central government and the HKSAR, the following principles must be observed: (1) National unification and sovereignty must be safeguarded as much as the HKSAR must be guaranteed a high degree of autonomy. (2) The "two systems" — the socialist and capitalist systems — must coexist under the premise of "one country," and there must be mutual respect for each other's social system and life style. (3) The relationship between the central government and the HKSAR must be handled according to the law, and matters involving relations between the central government and the HKSAR must be handled by the law.

#### **Hong Kong: Editorial Comments On Right To Choose Chief Executive**

HK1906075496 Hong Kong EASTERN EXPRESS  
in English 19 Jun 96 p 13

[Editorial: "CE Choice Not For Beijing To Dictate"]

[PTS Transcribed Text for FBIS] There has been so much speculation about who might be the first chief executive after the handover, that one report passed without comment earlier this week.

The report suggested that if a suitable candidate had not come forward by October, Beijing would appoint someone of its own choice to fill an interim post for a maximum of two years.

No official comment has come from China on the subject and the suggestion may, after all, be no more speculation.

That in itself, however, underlines the anxiety which is mounting in Hong Kong as the situation drags on, and all the talk hinges on which faction opposes which candidate, and whether a nominee's business interests will lead him or her to act against the other candidates once he or she comes to power.

It is a deeply depressing situation. There have always been sound arguments for shielding the business community from politics in order to leave it free to serve the community in the way it knows best. Now we are seeing precisely the difficulties which stem from mixing business and politics.

It is counter-productive for the Hong Kong public to be kept in a constant state of suspense about who is to run the future government. Beijing's determination to inflict a provisional legislature is already regarded as the worst-possible portent for the future, and now rumour sweeps the territory about the incoming sovereign's intention to select its own chief executive, confidence can be expected to plunge even further. Is Hong Kong to have no say at all in its own destiny, despite the promises set out so clearly in the Basic Law?

If that is the case, then in addition to a showing a disregard for the people who will come under their power, China is also shaming Hong Kong in the eyes of the world.

In almost all the 150 years of the territory's history, it has been run by a succession of marginalised mandarins appointed by the British Foreign Office to administer an equally marginalised outpost of the empire.

If, under such leadership, Hong Kong could grow into the thrusting and prosperous city it is today, is it conceivable that 6 million Chinese inhabitants are unable to put up a first-class talent to take on the job in 1997?

That is far from true; Hong Kong can point to many citizens of international renown who command respect worldwide, but the fact remains that the post of chief executive calls firstly for administrative ability, and secondly a background which will not stir jealousies, suspicion or hostility.

Business rivalries should not be a factor in this post. It is a vastly different calling; nevertheless it is not always easy for opponents to acknowledge that this is a separate and distinct role.

It is up to China to clear away this destructive speculation by allowing the selection committee to make its

choice of chief executive as soon as possible. If there can be no consensus about a suitable candidate from the list of business leaders whose names have already been mentioned, there are no such complications to cloud the candidacy of Anson Chan.

#### **Hong Kong: 'Expert' on Post-1997 Dual Nationality, Consular Protection**

*HK1806090796 Hong Kong WEN WEI PO in Chinese 22 May 96 p A11*

["Special article" by staff reporter Li Xiaobing (2621 4562 0393): "Legal Expert Explains, Clarifies Relevant Issues on Dual Nationality and Consular Protection"]

[PTS Translated Text for FBIS] The Standing Committee of the National People's Congress [NPC] adopted the Explanation on Implementation of the Chinese Nationality Law in Hong Kong the other day. There have always been public queries concerning the concrete implementation of the law which mainly center around such issues as whether Hong Kong people who have emigrated to a foreign country which recognizes no dual nationality will lose their citizenship in that country, and whether Hong Kong people will be involved in disputes over consular protection in the Hong Kong Special Administrative Region [SAR] or in other parts of China after 1997. With these questions in mind, this reporter called on a legal expert and asked him to explain and clarify these issues for our readers.

#### **Three Preconditions for Acquisition of Chinese Nationality**

First, we talked about whether Hong Kong people who have emigrated to a foreign country which recognizes no dual nationality will, as a result of their misconception, lose their citizenship in that country. The expert pointed out: According to the Explanation on Implementation of the Chinese Nationality Law in Hong Kong, Hong Kong people must first meet three conditions acquire status as Chinese citizens: They must be of Chinese descent, born on Chinese territory (including Hong Kong), and current live in Hong Kong. Only those Hong Kong people who can meet all these conditions will be recognized as Chinese citizens after 1997; and such an arrangement is not expected to cause much confusion.

Take Singapore and other Southeast Asian countries for example. People of Chinese origin live in these countries in large numbers, yet it does not mean that they are all qualified for the acquisition of Chinese nationality. Only those people who come and live in Hong Kong after 1997 will be bound by the Chinese Nationality Law; moreover, not all Singapore passport holders of Chinese origin coming to live in Hong Kong are considered

Chinese citizens, and only those who were born in Hong Kong or in other parts of China can acquire the Chinese nationality. As for the second and third generations of Hong Kong emigrants to Singapore, since they were born and brought up in Singapore, they are no longer qualified for Chinese nationality and therefore cannot become Chinese citizens even if they settle in Hong Kong. Judging by this, we can see that few people holding passports from Southeast Asian countries can meet the requirements for acquiring Chinese nationality as stipulated in the Chinese Nationality Law.

#### **China Has Offered Relaxed Explanations**

The expert indicated that every country in the world has its own grounds for judging the nationality of a certain person and will not interfere in the stipulations of other countries. This is exactly what China is doing: Under the prerequisite of upholding its policy of recognizing no dual nationality, China has given a relaxed and flexible explanation on the implementation of the Chinese Nationality Law in Hong Kong, with a view to providing greater convenience for the free entry and exit of Hong Kong people. As regards how a foreign country is going to deal with the nationality of Hong Kong people who hold its passport and have returned to Hong Kong, this is an affair within the sovereign rights of that country. China will introduce other countries to its nationality policy, yet has no right to ask other countries to retain or withdraw the nationality of their nationals. Commenting on reports that Singapore has made it clear that it will withdraw the nationality of Hong Kong people holding Singapore passports if they fail to declare their Singapore nationality when returning to Hong Kong, the expert believed that China will respect the stipulations of these countries, and all those in question need to do is simply make a declaration with the Immigration Department of the SAR.

#### **The Right of Consular Protection Is Extremely Limited**

The second issue we dwelt on was consular protection in the Hong Kong SAR and other parts of China for Hong Kong emigrants returning to Hong Kong in the capacity of Chinese citizens. The expert indicated that a commonly adopted international practice guiding the handling of nationality conflicts is that a country has the right to decide the nationality status of people remaining in its territory and enjoys the absolute governing right over its own nationals. On this basis, if a foreign passport-holding Hong Kong resident chooses to stay in Hong Kong in the status of Chinese citizen, then according to the Explanation on the Implementation of the Chinese Nationality Law in Hong Kong, his foreign passport will be regarded as a travel document only;

and if a nationality conflict occurs, the embassy of that country in China will also respect China's decision and observe the normal international practice mentioned above.

Talking about people's worries over the issue of consular protection after 1997, the expert stressed that such worries are actually caused by people's unclear interpretation of the concept of consular protection, and as a result, this right has been unduly exaggerated. As a matter of fact, the right of consular protection is extremely limited, and it is common practice in the international community for a person living in a certain place to observe the law of that place and stand the trials of local courts if he breaks the law there. For example, Singapore ruled last year that an American youngster should receive the punishment of caning for vandalizing cars; although U.S. President Clinton wrote a personal letter begging for mercy, the youngster still could not get away unpunished. In the same way, it is also impossible for anyone to obtain consular protection in an attempt to escape punishment for a crime he has committed. The expert believes that generally speaking, conflicts over consular protection will not occur among returning Hong Kong emigrants, and there is absolutely no need for Hong Kong people to worry.

#### **No Limit Set on the Frequency of Nationality Declarations**

Last, we talked about whether returning emigrants can change their nationalities more than once. The expert claimed that the explanation given by the NPC Standing Committee did not set any limit on the frequency of national declarations, and therefore returning emigrants can declare their nationalities with the Immigration Department of the SAR at any time according to their own will and needs. As for worries that some returning emigrants who live in Hong Kong in the status of Chinese citizens may apply for a change of nationality immediately after they commit crimes in Hong Kong, as we have said earlier, anyone who breaks the law in the SAR, regardless of his nationality, cannot escape the legal punishment of the SAR.

The expert also indicated that the Chinese side is making further studies of issues concerning concrete implementation of the Chinese Nationality Law in Hong Kong, and Hong Kong people can rest assured that proper solutions can be worked out to problems of all kinds.

### **Hong Kong: Beijing Must Stress Future Stability of Territory**

**HK1806083296 Hong Kong SOUTH CHINA MORNING POST in English 17 Jun 96 p 4**

[By Chris Yeung]

[PTS Transcribed Text for FBIS] Hong Kong and China share a common interest in putting the territory's case to the international community, despite political differences.

That was the message from Hong Kong's chief representative in Japan.

"It's true there are differences over the provisional legislature but that should not damage the whole relationship," head of the Hong Kong Economic and Trade Office David Lan Hongtsung said "We have to be frank and accept reality. You and your wife may have different views on things but that should not spoil the marriage."

He said some Japanese were worried about the stability of the territory because of the Sino-British row over the provisional legislature. He said the concerns had not yet damaged investment or trade but questions remained over the pledge of economic autonomy for the Special Administrative Region.

"Japanese firms have got the highest number of contracts in the airport projects through open competition, but many will be asking, 'What about the future?'," he said. They were unsure they would receive the same treatment after the handover.

Lu Ping, the Director of the Hong Kong and Macao Affairs Office, told business and community leaders during a visit to Tokyo this month there was no confidence crisis.

Mr Lan said: "Hong Kong people know pretty well whether there's a confidence problem. We all have the answer." He said it was important the business community voiced concerns about the future. "At least we know what their worries are ... otherwise, they may be preparing for a withdrawal of their investments," he said.

### **Hong Kong: Hong Kong Figures Criticize UK on Northwest Railroad**

**OW1806115596 Beijing XINHUA Domestic Service in Chinese 0805 GMT 12 Jun 96**

[FBIS Translated Text] Hong Kong, 12 Jun (XINHUA) — The construction of the Hong Kong Northwest Railroad [HKNR] — a large project that spans 1 July 1997 — has attracted the attention of the Hong Kong public. Several renowned figures held that the Hong

Kong Government should submit a study report on the Hong Kong Northwest Railroad to the Chinese representative's office of the Sino-British Joint Liaison Group [JLG] and that China and Britain must earnestly hold consultations to discuss relevant issues.

Tsang Hin-chi, member of the National People's Congress Standing Committee and member of the Hong Kong Special Administrative Region Preparatory Committee [HKSAR PC], said: The Chinese Government has always had a positive attitude toward large projects that are conducive to enhancing Hong Kong's economic progress and people's living conditions. China and Britain must hold joint consultations to discuss the HKNR project, a large project that spans 1 July 1997 and whose scope is second only to the Chek Lap Kok Airport project. Tsang Hin-chi said: According to the Hong Kong Government's estimates, total construction costs for the 52-km HKNR amount to HK\$80 billion [Hong Kong dollars]. That is, it will cost more than HK\$1.4 billion to build each kilometer of railroad. The Hong Kong Government is also ready to pay HK\$4-5 billion in consulting fees to foreign consulting firms.

HKSAR PC member Wu Qinghui said: Hong Kong residents are very concerned about HKNR construction costs, which will affect future costs once the HKNR begins operations. The HKSAR PC hopes not only to understand the whole situation, but also hopes that the yet-to-be-published report will clearly explain such issues as construction costs and consulting fees so that transparency can be enhanced. Another HKSAR PC member, Jian Fuyi, urged the Hong Kong Government to explain why HKNR construction costs rose from HK\$20 billion to HK\$80 billion in the short period of several years. He also said: Hong Kong residents are paying attention to their capacity to shoulder large infrastructure construction projects and to the projects' economic benefits. He expressed hope that relevant materials to be submitted by the Hong Kong Government to the Sino-British JLG Chinese representative's office will have substantive content.

Many other HKSAR PC members also expressed their views on the HKNR construction project. Li Jiaxiang held: First, the Hong Kong Government should let Sino-British experts hold consultations to discuss the plans. Then, relevant consulting contracts will be given out only after they have reached an agreement. Otherwise, sincerity in facilitating communications is obviously lacking. Ye Guohua said: The Hong Kong Government should publish the results of the investment in the HKNR construction project. Meanwhile, it should properly resolve problems regarding developing transportation in Hong Kong's northwest region so as to safeguard Hong Kong people's interests. Luo Shuqing held: Con-

sulting fees amount to about 6 percent of total HKNR construction costs. It is too wasteful. It is also way off from the standard — always stressed by the Hong Kong Government — that consulting fees are about 1 percent of total construction costs.

**Hong Kong: Hong Kong XINHUA Official on Western Corridor Railway**

OW1906105396 Beijing XINHUA Domestic Service in Chinese 0903 GMT 19 Jun 96

[FBIS Translated Text] Hong Kong, 19 Jun (XINHUA) — Zhang Junsheng, deputy director of XINHUA Hong Kong Branch, indicated that the plan for Hong Kong's Western Corridor Railway, a large capital construction project the completion of which will go beyond 1997, should be submitted to the Sino-British Joint Liaison Group [JLG] for discussion as early as possible.

Answering a reporter's question at a public function on 18 June, Zhang Junsheng said: China supports the construction of a railway in northwest New Territories, but the project, a large project the completion of which will go beyond 1997, should be submitted to the JLG for discussion so that all relevant plans can be launched smoothly in a timely manner.

He said: Last month, the Hong Kong Special Region Preparatory Committee's economic subgroup invited relevant personnel of the Kowloon-Canton Railway Company and the Hong Kong Government to give a briefing, but they refused to attend. There is only one year or so before 1 July 1997, but the British side has yet to submit this issue to the JLG for consultations.

**Hong Kong: Delays May Cause Railway Project To Cost Over \$75 Billion**

HK1906065296 Hong Kong SOUTH CHINA MORNING POST in English 19 Jun 96 p 1

[By Chris Yeung]

[PTS Transcribed Text for FBIS] The controversial Western Corridor Railway is unlikely to be running by its 2001 target completion date, raising fears that the \$75 billion project will cost even more.

A senior government source warned yesterday that at least five years would be needed to ensure the compulsory purchase of all land along the likely route, pushing completion to 2001 if work began now.

But the Government still needs to enact legislation to allow for the resumption of land, meaning the railway is unlikely to be operating by the scheduled finish.

The Kowloon-Canton Railway Corporation (KCRC) has estimated the project will require about four million

square metres of land, including 1.3 million sq metres of private land in 2,600 lots.

These include more than 1,000 graves, sites that might cause fung shui disputes, and villages.

The official said new laws were needed because existing legislation including the Road Ordinance, the Crown Lands Resumption Ordinance and the KCRC Ordinance — did not cover the project.

He said a new railway bill was expected to be tabled in the Legislative Council by the end of the year and should be passed by the middle of next year.

After that, the five-year task of surveying and land resumption could begin, he said.

Construction work would be carried out simultaneously with land resumption.

Asked if it was already impossible to hit the target date of 2001, another official said: "You may say so . . . the target has to be reviewed in a practical way. There will be enormous difficulty in resuming land. Then there are other engineering and environment problems to consider."

"If the date has to be changed, the estimated cost of \$75 billion may no longer be realistic. We will then have to reconsider other factors such as inflation and demand."

But he defended the cost of the project, which has angered China, saying it was wrong to compare it with similar projects on the mainland.

The Government would, however, study the KCRC's assessment on freight traffic volume given its implications on the viability of the whole plan before making a final decision to go ahead.

Last night, Xinhua Deputy Director Zhang Junsheng said the Government was talking too much about the project since responsibility for it would largely rest with the post-handover administration.

Legislator Eric Li Ka-cheung accused the Government of lacking sincerity. "They are looking for an excuse to wash their hands of this project," he said. "It is not possible for Legco to approve the legislation without knowing all the details."

"They want Legco to kill the project, and to be seen by people living in Yuen Long who need this railway as having done their best."

**Hong Kong: XINHUA Hong Kong Branch To Change Its Role After 1997**

*HK1806072896 Hong Kong SING TAO JIH PAO in Chinese 3 Jun 96 p A14*

[Report by reporter Chen Pei-sheng (7115 1014 4563): "XINHUA News Agency To Stay in Hong Kong But Its Role Will Change"]

[PTS Translated Text for FBIS] When the Hong Kong Special Administrative Region [SAR] Government is officially set up on 1 July 1997, many people are likely to worry that the SAR government will gradually turn into an ordinary province of China and that the SAR government's policy branches will accept the instructions of all central government ministries and commissions. But this newspaper has learned that in an attempt to remove such misgivings, the Chinese departments in charge of Hong Kong affairs recently made explicit stipulations on the relationship between the SAR government and various provinces and municipalities and that between the SAR government and various central ministries and commissions.

According to those stipulations, the relationship between the SAR government and various provinces and municipalities is not an equal one, nor is the relationship between the SAR government and various central ministries and commissions one between a higher and a lower level. If a province, municipality, or central ministry or commission wants to set up an office in Hong Kong or establish a relationship with the SAR government, it should apply to the State Council's Hong Kong and Macao Affairs Office, which is responsible for overall planning and coordination.

As disclosed by a source in Beijing, the central hierarchy already has a tentative plan for the post-1997 role of the XINHUA Hong Kong Branch, which, like the State Council's Hong Kong and Macao Affairs Office, has exercised an enormous influence in Hong Kong affairs in the later transition period. According to this plan, the present role of the XINHUA Hong Kong Branch as a Hong Kong-based official institution of the Chinese Government will remain unchanged and the post of director will still be taken up by a ministerial-level official, but its specific duties will differ markedly before and after 1997.

At present, the XINHUA Hong Kong Branch frequently criticizes Hong Kong Government policies, but it will not criticize SAR government policies after 1997. The source pointed out: At that time, the work of the branch will be as follows: First, to supervise and manage China-funded enterprises in Hong Kong; second, to continue making overall arrangements for the work of pro-China newspapers, including WEN WEI PO, TA KUNG PAO, and HSIANG KANG SHANG PAO; and third, to provide assistance to local media on news-gathering missions in China.

As for whether the existence of the branch beyond 1997 will affect the operations and serve as an "overlord" of the SAR government, the source pointed out that the branch will not turn into an "overlord" ordering the SAR government about because it will not be involved in the latter's internal operations, nor will it comment on the latter's policies after 1997.

The redefinition of the post-1997 role of the Hong Kong and Macao Affairs Office and the XINHUA Hong Kong Branch by the central authorities is believed to be closely related to realizing Beijing's long-term policies toward Hong Kong, i.e. "one country, two systems," "Hong Kong people ruling Hong Kong," and "a high degree of autonomy." Although 1997 is not here yet, quite a few provinces and municipalities, as well as central ministries and commissions, are eager to set up companies and carry out business in Hong Kong. As Hong Kong's legal system is different from that of other provinces and municipalities, the rush to set up offices in Hong Kong is likely to have a negative impact on Hong Kong's economic growth if the Hong Kong and Macao Affairs Office does not step forward and make overall arrangements.

Most of the China-funded enterprises currently operating in Hong Kong serve as "windows" for various provinces and municipalities, as well as central ministries and commissions. Apart from observing Hong Kong's laws, they are also subject to supervision by mainland departments at a higher level. But, as "the mountains are high and the emperor is far away," it is hard for the higher authorities to exercise effective supervision. Therefore, it would be most appropriate for the XINHUA Hong Kong Branch to take up this role.

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